



Daily Report

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Daily Report

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General

U.S. Announces Plan To Airdrop Relief to Bosnia

OW2602000893 Beijing XINHUA in English
2113 GMT 25 Feb 93

[Text] Washington, February 25 (XINHUA)—U.S. President Bill Clinton announced here today that the U.S. military will start airdropping relief supplies to eastern Bosnia.

"These air drops are being carried out strictly for humanitarian purposes; no combat aircraft will be used in this operation," Clinton said in a statement.

Clinton said the operation would be carried out in coordination with the United Nations relief efforts but did not mention if there were any other nations joining in the effort.

Turkey, Pakistan and Germany had earlier offered to take part.

The president said the operation, the timing of which was to be decided by the Pentagon in cooperation with the U.N., was "a temporary measure, designed to address the immediate needs of isolated areas that cannot be reached at this time by ground."

"The war that has raged in Bosnia-Herzegovina over the past year has taken a staggering toll: Thousands have been killed or imprisoned, thousands more are at risk due to hunger and exposure, and over two million people have been forced from their homes," the statement said.

The President said the airdropping was just a supplement to regular overland deliveries and urged all parties in the region "to guarantee the safe passage of the humanitarian convoys throughout Bosnia."

Clinton said on Wednesday [24 February] at a joint news conference with visiting British Prime Minister John Major that the airdropping would be conducted at a high altitude and would spread the relief supplies to the Croats, Serbs as well as the Muslims, thus "maximize the safety" of those aboard the planes executing the mission.

Acknowledging that "the percentage of the packages we drop will be outside the more or less half mile circle that we would be trying to hit," Clinton said leaflets giving information such as how to use the medicines dropped would prompt people on the ground to walk a few miles to look for the relief materials.

He said the airdrops were of a humanitarian nature and "it would be a great mistake to read this humanitarian relief operation as some initial foray toward a wider military role."

Major said the U.N. operation was "thoroughly welcome" but fell short of joining in the effort.

After a meeting Tuesday afternoon in Washington, Clinton and United Nations Secretary-General Butrus

Butrus-Ghali reached complete agreement on the necessity of the operation, but Ghali indicated the operation should proceed with coordinations with the U.N. protection forces in Bosnia and the U.N. High Commissioner for Refugees.

The United States has decided to let the cargo planes to fly at a higher altitude to avoid the possible attack of ground anti-aircraft fire.

But opponents said the operation was a "half-hearted attempt" with little effectiveness as a result of the high altitude.

However, Clinton said during Wednesday's press conference that "we can do this with quite an effective but safe mission."

Clinton said, "we're prepared to help anybody who needs the food and medicine, and we want the broadest possible support for this."

"And we want all the people on the ground in the various factions to know that this is not a political issue with us," Clinton said.

It had been speculated that the operation would be conducted by C-130 Hercules cargo planes.

The North Atlantic Treaty Organization has agreed to provide airports and reconnaissance aircraft to help the mission.

Besides humanitarian consideration, local observers said, the U.S. operation was aiming at assuage complaints that Clinton backed off from his tough policy toward Bosnia promised during the presidential campaign and to encourage the Bosnian Muslims to come to the United Nations to attend fresh peace talks scheduled this week.

The United Nations announced late Wednesday that Bosnian Muslim leader Alija Izetbegovic and Serb leader Radovan Karadzic had agreed to take part in renewed peace negotiations in New York.

UN Security Council Approves

OW2602005793 Beijing XINHUA in English
2314 GMT 25 Feb 93

[Text] United Nations, February 25 (XINHUA)—The U.N. Security Council [UNSC] today expressed its strong support for the use of humanitarian air drops to isolated areas of Bosnia and Herzegovina.

In a presidential statement adopted here this afternoon, the Security Council also said that the air drops should be conducted in full coordination with the United Nations and in accordance with the relevant Security Council resolutions.

The presidential statement came after a joint statement by U.S. President Bill Clinton and U.N. Secretary-General Butrus-Ghali on February 23, in which

the latter expressed his welcome to the President's explanation of the possible use of air drops of humanitarian aid to those areas.

According to earlier Security Council resolutions, the United Nations has been delivering humanitarian assistance to besieged cities and towns in Bosnia for months. However, the convoys have been repeatedly blockaded by the warring parties in the country.

Today's presidential statement also said that the Security Council is deeply concerned that relief efforts continue to be impeded by Serb paramilitary units, especially in the eastern part of the country.

The Council condemned the blocking and reiterated its demand that the Bosnian parties grant immediate and unimpeded access for humanitarian convoys and fully comply with its decisions in this regard.

It noted with concern, the statement said, that the measures taken by Serb paramilitary units to interdict humanitarian convoys exposed the personnel of U.N. agencies and other humanitarian organizations to physical harm.

"The deliberate impeding of the delivery of food and humanitarian relief essential for the survival of the civilian population in Bosnia constitutes a violation of the Geneva Conventions of 1949," the statement said, and "the Security Council is committed to ensuring that individuals responsible for such acts are brought to justice."

The Security Council also deplored the deterioration of the humanitarian situation in Bosnia at a time when discussions are to resume with a view to reaching a just and durable agreement to end the conflict.

"It regards the blockade of relief efforts as a serious impediment to a negotiated settlement in the country and to the efforts of the co-chairmen of the international conference on the former Yugoslavia."

According to sources close to the Security Council meeting, leaders of the three warring parties in Bosnia, including Bosnian President Alija Izetbegovic, who had been reluctant to come to the talks now underway in New York, are heading for the U.N. headquarters on Friday and Saturday, and bilateral negotiations are expected to begin in the weekend.

EC Supports Airdrop Plan

*OW2602044093 Beijing XINHUA in English
0148 GMT 26 Feb 93*

[Text] Brussels, February 25 (XINHUA)—The Europe Community expressed support today for a United States plan to airdrop aid to Bosnia-Hercegovina.

Hans van Den Broek, executive member of the EC Commission in charge of external affairs, said the Community reiterated a hope that the warring parties accept U.N. and EC peace plans proposed by Cyrus Vance and Lord Owen.

In a written statement issued here today, Van den Broek said that the community favors U.S. airdropping humanitarian aid to part of Bosnia-Hercegovina that truck convoys have been unable to reach. Airdrops, he said, should not substitute for land delivery of humanitarian aid.

He also urged that the airdrops work "closely in harmony with" U.N. relief and peacekeeping action in the region. But the EC official declined to say whether the EC will join the U.S. in airdrops of aid.

Li Peng Expresses 'Concern' to Croatian Envoy

*OW2402123793 Beijing XINHUA in English
1203 GMT 24 Feb 93*

[Text] Beijing, February 24 (XINHUA)—Chinese Premier Li Peng met with three ambassadors to China here today [24 February].

The three ambassadors were outgoing Ghanaian Ambassador Jonas Awuku Afari, outgoing Colombian Ambassador Federico Echavarria and newly-appointed Croatian Ambassador Andrija Kojakovic.

Li had a cordial and friendly conversation with the guests.

Shaking hands with new Ambassador Kojakovic, the Chinese premier expressed great concern about the current situation in regions of the former Yugoslavia.

He hoped that the various parties concerned would abide by the United Nations resolutions to put an end to the fighting and restore peace "as soon as possible."

While talking to Ghanaian and Colombian ambassadors, Li praised the two countries for their successes in economic development.

Major 'Not Concerned' About U.S. Protectionism

*OW2502223193 Beijing XINHUA in English
1804 GMT 25 Feb 93*

[Text] Washington, February 25 (XINHUA)—Calling his country "one of the most fair trading nations in the world", visiting British Prime Minister John Major attributed the current trans-Atlantic trade dispute to the "misunderstanding" on the U.S. side.

There is "a good deal of misunderstanding", he said.

However, during his interviews on U.S. television this morning, the prime minister said he was not worried about a protectionist direction in the United States.

"I'm frankly not concerned about protectionism," Major said in his interview with CNN this morning. He also appeared on CBS's "This Morning".

The British prime minister, who arrived here yesterday [24 February] on his first trip to Washington this year, held talks with the U.S. President Bill Clinton yesterday. They spent a lot of time discussing the current transatlantic trade dispute.

"We spent a lot of our time yesterday actually discussing trade matters," he said, referring to the world trade talks on the General Agreement on Tariffs and Trade (GATT).

Talking about Airbus, whose government subsidies have been repeatedly denounced recently by U.S. industries and the President Clinton himself during his visit to Boeing Co. early this week, Major said that both sides should stick to the agreement signed last summer, when Europe agreed to further cut its subsidy to Airbus.

"As far as Boeing is concerned, there is an agreement (which expires in July)," the prime minister said. "And I think on Airbus,... (the agreement) isn't going to be reopened."

He said that the degree of subsidy reported in the United States for Airbus was "frankly wrong", adding that the subsidies to Airbus were being repaid.

"In any event, much of the reporting I've seen in the U.S. about the subsidy on Airbus frankly deals with figures that I just do not recognize in any way," Major said.

The U.S. Commerce Department reported that the governments of France, Britain, Spain and Germany had pumped some 26 billion U.S. dollars in the past several years to support the consortium of Airbus Industry.

"We're instinctive non-subsidizers," he said.

Meanwhile, Major stressed during his interviews that in his talks with President Clinton, there was no intention of going down a trade war. "Nobody wins a trade war. Everybody loses at a trade war," he said.

He also stressed the importance of the current Uruguay Round multinational trade talks. "It is overwhelmingly the most important thing,...because it's been hanging around a long time," he said.

"We need to push ahead with that," the prime minister noted.

Warren Christopher, Andrey Kozyrev Meet in Geneva

OW2502214893 Beijing XINHUA in English
1648 GMT 25 Feb 93

[Text] Geneva, February 25 (XINHUA)—Russian President Boris Yeltsin and U.S. President Bill Clinton will meet on April 4.

The place for the summit still needs to be agreed upon, said U.S. Secretary of State Warren Christopher and his Russian counterpart Andrey Kozyrev after their three-hour meeting today in Geneva.

Speaking to reporters, Kozyrev said that the date was proposed by the U.S. side, adding that the two sides will have more preparations including a further meeting between him and Christopher.

Both Kozyrev and Christopher stressed the "partnership and cooperative" relations between the two countries.

Christopher said his country firmly supports the reform carried out in Russia.

PLO Says U.S. Withdraws Peace Talks Proposal

OW2502223293 Beijing XINHUA in English
1816 GMT 25 Feb 93

[Text] Tunis, February 25 (XINHUA)—U.S. Secretary of State Warren Christopher today withdrew a four-point proposal for resuming the Arab-Israeli peace talks, Palestinian news agency WAFA reported.

Christopher submitted the proposal to Palestinian peace negotiators in Jerusalem Wednesday [24 February] night to lure them back to Middle East peace talks.

WAFA did not provide details of the proposal. It just quoted senior PLO officials as saying that the proposal was withdrawn under pressure from Israel.

WAFA said that the Russian ambassador to Tunisia, Boris Shchiborin, requested an urgent meeting with PLO Chairman Yasir 'Arafat and notified him that the proposal was "no longer valid."

The meeting took place shortly after Christopher's arrival in Geneva for talks with the Russian foreign minister.

'Arafat, on his part, sent an "urgent appeal" through the ambassador to Russian Foreign Minister Andrey Kozyrev, asking him to intervene and help break "the deadlock."

WAFA also reported that 'Arafat had called for a meeting of the PLO's ruling Executive Committee and members of the Palestinian negotiating team. He scheduled the meeting for Monday in Tunis.

According to other PLO officials, that Christopher proposed to the Palestinians he met in Jerusalem that they agree to resume the peace talks in return for four U.S. assurances:

—Israel will avoid further deportations

—Israel will implement within a fixed timetable U.N. Security Council Resolution 799 that calls for the repatriation of all the deportees

—Israel will consider repatriating some of the other Palestinians it has deported from the West Bank and Gaza Strip since 1967

—The United States reiterates commitment to Resolutions 242 and 338 as the basis for peace negotiations. The resolutions demand Israeli withdrawal from the West Bank and Gaza Strip in exchange for peace with the Arabs.

Palestinian Spokeswoman Hanan 'Ashrawi said after meeting with Christopher that "some new ideas" had emerged, ideas "worth thinking about and pursuing." She did not elaborate.

Christopher flew from Israel to Switzerland this morning after a week-long Middle East tour that took him also to Egypt, Jordan, Syria, Saudi Arabia, Kuwait and Lebanon.

Russia co-sponsors the Mideast peace talks along with the United States. The U.S. has no contact with the PLO and that is why the Russian ambassador in Tunis was chosen as an emissary.

The reported withdrawal of the U.S. proposal on the resumption of the Arab-Israeli peace talks coincided with announcement by Christopher and Kozyrev in Geneva that the Arab and Israeli negotiators would be invited to resume their talks in April in Washington.

"The very strong consensus in the Middle East is that the parties want to return to the negotiations," Christopher said at a press conference jointly held with Kozyrev.

According to reports from Jerusalem, Palestinian delegates released a statement saying that they were in constant consultations with PLO leaders in Tunis who, up to now, had made no decisions on Palestinian participation in the talks.

Ghassan al-Khatib, one of the delegates, said after meeting with the U.S. consul in Jerusalem, Molly Williamson, that he was unaware of Washington's withdrawal of its proposal.

"There have been some ideas from the American side. We are not in a position to talk about this because it could jeopardize the American effort," he said.

"These same ideas are still on the table being negotiated between us and the Americans, and I assume between the Americans and Israel," he added. "So far, there is no agreement."

Reports from Jerusalem also quoted Israeli Prime Minister Yitzhaq Rabin as refusing to rule out more deportations. But Rabin called the December 17 mass expulsion "unprecedented and exceptional."

"It is inconceivable that the key should be in the hands of 'Arafat,' he said.

Envoy on 'Rationalization' of UN Rights Body

*OW2502221993 Beijing XINHUA in English
2156 GMT 25 Feb 93*

[Text] Geneva, February 25 (XINHUA)—China says today that it supports rationalization of the work of the U.N. Commission on Human Rights, and makes some suggestions and comments on it.

"Now the cold war has come to an end...the work of this commission is still seriously affected by its aftereffect even today," a Chinese delegate told the 49th session of the commission in Geneva.

The practice of distorting human rights standards, exerting political pressure through abuse of monitoring mechanisms, applying selectivity and double standards have led to the violation of principles and purposes of the UN Charter, impairing the sovereignty and dignity of many developing countries, he added.

Zhan Daode, Chinese alternate representative, suggested that any rationalization of the commission's work "must have a correct direction and aim."

The urgent issues for the commission to deal with now should be to remove the abnormal situation that are impairing the dignity of this U.N. organ, he said.

He explained, the commission should get rid of the imposition of their own human rights concepts, values and ideology by a few of countries who style themselves as "human rights judges" and the interference in internal affairs of other countries.

"Second, the purpose of setting up this commission was to prevent the recurrence of the genocide committed by the Nazi and other gross violation of human rights."

Any proposals for changing the commission's work of top priorities will run counter to the purpose of the rationalization.

"Thirdly, development is an important basis for democracy and human rights, and development itself constitutes a fundamental human right," noted Zhan.

"For most developing countries, the right to development is of urgent significance," he added.

"Great attention should be paid to right to development. Effective measures should be developed to further promote the materialization of this right," he stressed.

Furthermore, he said, developing countries in Asia, Africa and Latin America all have practical experience of the work of the commission over the past decades.

He expressed the hope that the commission will attach full importance to their opinions which are useful reference for the rationalization.

Trade Talks Result in \$865 Million of Contracts

*OW2502214793 Beijing XINHUA in English
1627 GMT 25 Feb 93*

[Text] Harbin, February 25 (XINHUA)—Some 865 million U.S. dollars-worth of trade contracts were concluded over the three-day second Dragon Festival Economic and Trade Talks in Heihe city, in northeast China's Heilongjiang Province.

The talks started Monday [22 February] and closed Wednesday. More than 200 trade delegations from the Commonwealth of Independent States (CIS), Singapore, Taiwan and Hong Kong attended the talks—a total of 10,000 participants.

The talks covered border trade, joint investment and labor export.

Through the fair, China exported garments, carpets, television sets, sugar, beans and computers to CIS states, and imported fertilizer, steel, timber, airplanes, trucks and cement.

The talks, the first of which took place in 1992, will be held annually.

Russia Sells Uranium From Weapons to U.S.

*OW2602050293 Beijing XINHUA in English
0237 GMT 26 Feb 93*

[Text] Moscow, February 25 (XINHUA)—Russia will be selling up to 500 tons of enriched uranium to the United States over the next few years. This will come from nuclear weapons dismantled under arms control agreements.

Reporting the signing of a contract last week, the newspaper "IZVESTYA" said the annual export would be 10 tons at a price of 200 million U.S. dollars over the next five years, then increasing to 30 tons.

Russia would spend the earnings in changing military enterprises over to civil use, improving the security of domestic nuclear stations and in scientific research.

The United States for its part would use the uranium to power its nuclear reactors.

The head of a U.S. delegation arranging the dismantling of nuclear weapons, Major General William Burns, explaining the deal said, "this is to prevent a gross disruption of the uranium market which would be counterproductive to our own industry".

Observers here said that this was a U.S. effort to aid the Russian reform led by President Boris Yeltsin, who was now under severe criticism from parliament for his failure to save the economy.

Reports said that a summit between Russia and the United States was expected to be held in the near future.

United States & Canada

Editorial on President's 'Desperate Struggle'

*HK2602105193 Hong Kong WEN WEI PO in Chinese
26 Feb 93 p 2*

[Editorial: "Clinton Gets Bogged Down in Desperate Struggle"]

[Text] The new U.S. President Clinton delivered his State of the Union address to Congress on reducing the budget deficit by \$500 billion and passing measures to increase tax revenues by \$246 billion over four years and to cut spending by \$247 billion. If these goals can be attained, it is likely that the U.S. financial and investment deficits, which have been neglected for a long time, will be reversed, and the old pattern of consumption-driven economic development will be transformed into a new pattern of investment-led economic growth.

This plan is supported by 60 percent of the grass-roots voters, but the wealthy, business owners, and senior congressmen are extremely skeptical about it.

The United States takes the offensive to reduce financial deficits whenever a new President assumes office. However, one or two years later, because of opposition from traditional forces and practices, all the efforts to cut deficits are wasted, government expenditures and taxes are increased in the same old way, and all of the brave words are forgotten. The United States is a country in which individualism is being overemphasized and in which the pursuit of private interests is regarded as sacred and inviolable. The grass roots seek more welfare, whereas the upper class wants to stimulate consumption and the commodity market to allow them to earn more money. Two years after he assumes office, a President has to consider in his third and fourth years of term of office how to win favor with the electorate to win reelection. As time passes, the most vigorous method is for the state to borrow money, propose large-scale public works, and grant more and more welfare; and reducing taxes is an inevitable result of democratic politics, which is certainly harmful to a sound economic cycle. People in power are very short-sighted, sweep economic problems under the carpet, and allow the government coming to power four years later to solve them.

Clinton's courageous performance at present is worthy of commendation. However, how he defines "fair sacrifice" may trigger off a heated argument in Congress, and congressmen representing different classes will engage in a war of words to force others to make more "sacrifices." The business and industrial sectors, which have economic experts acting as spokesmen, have a louder voice. They will point out that tax rises will inevitably discourage personal consumption and industrial investment, thus damaging a U.S. economy which is just beginning to recover. Some entrepreneurs say: "With the tax burden on enterprises being increased, we will earn hardly any profit, and we can do nothing except set up factories elsewhere." Some economic experts say that the

tax increases cannot ease unemployment, but rather may cause an increase in existing industrial stocks, and, consequently, the number of unemployed will rise. An increase in energy tax will also raise the costs of manufacturing, extractive industries, and the transportation industry, and entrepreneurs say that they will not make new investments. Many more experts say that the government will spend more because of the tax increases, and after that, the government will be accustomed to expanding its size and will seek a bigger budget. As a result, it will be difficult for the government to cut expenses, and, finally, this will bring higher and higher budget deficits year after year.

The defense industry has always been the backbone of U.S. industry, and it is by no means easy to reduce orders for its goods! Will financial groups support excessive reductions in defense spending?

The Republicans accuse the Democrats of merely knowing how to increase expenditures and of spending without restraint. When discussing the budget, Republicans urge the government not to raise taxes too much, but to cut expenditures instead. If the Democratic Party gives in to the Republican Party's demands, it will once again move around the same old cycle Reagan began 12 years ago. Hence, Clinton does not want to make any concessions. He canvassed various states in person and used his 60 percent popular support to force congressmen to compromise with him and to pass his economic and budgetary plan.

In the next three months, Clinton will become bogged down in a desperate struggle. He has to keep grass-roots pressure on Congress and to win over and subtly divide the opposition camp representing financial groups and entrepreneurs. To do this, more painstaking effort is required. In his four-year term of office, he has a 50 percent chance of success, but if he is not alert, he will fail.

Yunnan Secretary Meets U.S. Envoys in Kunming

HK2502030593 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 17 Feb 93

[Text] This morning, Pu Chaozhu, Yunnan provincial CPC secretary, met in Kunming's Jinlong Hotel with Stapleton Roy, U.S. ambassador to China, and Donald Camp, U.S. consul general in Chengdu, who are visiting our province.

During the meeting both sides talked about issues of Yunnan Province's economic development, reform, opening up, and so on. Pu Chaozhu said: Since the 14th CPC National Congress, the people of various nationalities in Yunnan have been speeding up the pace of reform and opening up with full confidence, and there has been a momentum for faster economic development in the whole province. At present, Yunnan is concentrating its efforts on infrastructure projects, such as transportation, energy, and telecommunications, and on educational and scientific and technical development.

We are paying attention to taking forceful measures to cultivate the market and give play to its regulatory role to boost the staying power of economic development. This will enable Yunnan to maintain a faster speed in its economic development.

While talking about the counternarcotics issue, Pu Chaozhu said: Yunnan is a victim of international drug trafficking. We have always taken an attitude of striking heavy blows at drug trafficking and drug taking. We are willing to cooperate with other countries, including the United States, in counternarcotics drives.

During the conversation, both sides stated that they would continue to strengthen their exchanges in the future, and continuously deepen their mutual understanding and trust.

(Zhang Baoshan), secretary general of the provincial CPC committee, and Feng Shusen, director of the provincial foreign affairs office, were also present at the meeting.

Zou Jiahua Meets U.S. Business Delegation

OW2602122193 Beijing XINHUA in English 1106 GMT 26 Feb 93

[Text] Beijing, February 26 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with W. W. Allen, president of the Phillips Petroleum Company (PPC) of the United States, and his party here this afternoon.

They exchanged views on further strengthening cooperations between the two sides.

The PPC is one of the earliest foreign petroleum companies which established cooperative relations with China. Allen and his party are here as guests of the China National Offshore Oil Corporation.

Beijing To Send State Purchasing Groups to U.S.

OW2602105693 Beijing XINHUA in English 0731 GMT 26 Feb 93

[Text] Beijing, February 26 (XINHUA)—China plans to send state purchasing groups to the United States this year to buy "traditional U.S. products, including automobiles", a senior State Planning Commission official said here today.

Speaking at a press conference, Gan Ziyu, vice-minister of the State Planning Commission, said the scale of the purchases will depend on prices offered by U.S. companies and on domestic needs, but failed to give further details.

Over the past several years, a number of high-powered Chinese groups have been sent to the United States to purchase billions of dollars worth of American products, which include autos, planes, chemical products, grain and machinery.

The vice-minister said that the purpose of China's large-scale buying of U.S. goods is to strengthen trade and economic cooperation between China and the United States and promote development of overall bilateral relations.

Gan also said that the Chinese market is open to U.S. products, and added that China is willing to develop long-term, stable cooperation with the U.S.

The United States has become China's third largest trade partner since the normalization of Sino-U.S. diplomatic relations in 1970s.

Gan Ziyu said China will import about 350-400 billion U.S. dollars' worth of technology, machinery and raw materials over the course of the eighth-five year plan period (1991-1995) to meet growing domestic demands.

Central Eurasia

Zou Jiahua Receives Russian Labor Minister

OW2602122393 Beijing XINHUA in English
1103 GMT 26 Feb 93

[Text] Beijing, February 26 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with visiting Russian Minister of Labor G. G. Melikyan and his party and had a friendly conversation with them here this afternoon.

Melikyan and his party arrived here February 23 at the invitation of the Chinese Ministry of Labor. Apart from Beijing, they also visited Tianjin.

Panel Meeting on Border Issues Closes in Moscow

OW2502214693 Beijing XINHUA in English
1619 GMT 25 Feb 93

[Text] Moscow, February 25 (XINHUA)—A panel meeting on border issues concerning China and four republics of former Soviet Union closed here today.

It was the ninth panel meeting by the Chinese Government working team and a joint government delegation representing Kazakhstan, Kyrgyzstan, Russia and Tajikistan.

The meeting, which convened last Thursday [18 February], was held according to an agreement the two sides had reached last October in Beijing.

The two sides continued their discussion concerning the alignments of the border lines in an earnest and matter-of-fact atmosphere.

China, Belarus Agree To Exempt Some Visas

OW2502042293 Beijing XINHUA in English
0343 GMT 25 Feb 93

[Text] Beijing, february 25 (XINHUA)—China and Belarus will scrap some service and travel visas from March 1.

According to the agreement, citizens of both countries holding valid diplomatic and service passports, and their children, will be exempt from obtaining visas. The concession will also apply to travel groups organized by the tourist departments as agreed upon by the two sides.

Citizens with ordinary passports, including those holding passports for public affairs, will still be required to obtain visas.

'Breakthrough Progress' in Trade With CIS

OW2602110693 Beijing XINHUA in English
0747 GMT 26 Feb 93

[Text] Harbin, February 26 (XINHUA)—China has made a breakthrough progress in promoting its trade with the various countries of the Commonwealth of Independent States (CIS).

According to the China customs, the total trade volume between China and various countries of the former Soviet Union was 5.226 billion U.S. dollars, of which China's exports were 2.575 billion U.S. dollars and its imports were 2.651 billion U.S. dollars.

China has signed bilateral economic and trade cooperation agreements with 13 countries of the 15 former Soviet republics, and investment protection and loan agreements with eight of them. Russia is the biggest trading partner, whose total trade with China reached 4.627 billion U.S. dollars, accounting for 88 percent of the total of China's trade with CIS.

Local and border trade are the principal forms of trade between China and CIS. More than 1.5 billion U.S. dollar worth of goods were handled through Heilongjiang Province in northeast China, 520 million U.S. dollars, by Jilin, 460 million U.S. dollars by Inner Mongolia and 300 million U.S. dollars by Xinjiang.

Apart from barter trade, China's localities have carried out over-the-counter trade and entered into cooperation with CIS states in establishing joint ventures, contracting for engineering projects, providing labor services, running shops, restaurants and hotels.

By the end of last year China had established 195 joint ventures with the former Soviet Union and 100 trade agencies.

Yeltsin Sets Up Presidential, Regional Councils

*OW2502214493 Beijing XINHUA in English
1617 GMT 25 Feb 93*

[Text] Moscow, February 25 (XINHUA)—Russian President Boris Yeltsin has decided to create a Presidential Council and a Council of Regional Leaders reportedly to augment his power in a leadership struggle with the parliament's speaker.

Presidential spokesman Anatoliy Krasikov said in a statement issued today that Yeltsin had issued a decree setting up the two bodies which he would head personally.

The Presidential Council would be mandated with orchestrating strategy for pushing forward reforms and policies for domestic and foreign affairs, and with managing the president's ties with political parties and social organizations, the spokesman said.

The Council of Chairmen of Regional Administrations would be mandated with coordinating relations between central power bodies and local administrative ones, he said, adding that members would include regional leaders, government officials, and the mayors of Moscow and St. Petersburg.

Yeltsin's move to include regional representatives in the decision-making strikes directly at the power base of the parliament to which regions have traditionally turned for support.

In parliament, the power struggle intensified with lawmakers deciding to call an emergency session of the full-scale legislature, the Congress of People's Deputies, possibly as early as March 9.

Under the decree, the existing Presidential Consultative Council, the group of advisors to the president, and related bodies would be canceled, the spokesman said.

West Europe**Qian Qichen Receives Norwegian Foreign Secretary**

*OW2502111593 Beijing XINHUA in English
1105 GMT 25 Feb 93*

[Text] Beijing, February 25 (XINHUA)—Chinese State Councilor and Foreign Minister Qian Qichen met with Jan Egeland, state secretary of the Ministry of Foreign Affairs of Norway, here today.

Qian and Egeland exchanged views on regional and international issues.

Egeland, who arrived in Beijing Tuesday [23 January], is visiting China at the invitation of the Chinese Foreign

Ministry. During his stay in Beijing, Egeland and Chinese Vice Foreign Minister Jiang Enzhu held talks on further development of Sino-Norwegian friendly and co-operative ties.

Earlier, leaders from the Chinese State Planning Commission, the Ministry of Foreign Economic Relations and Trade, the State Nationalities Affairs Commission and the State Environmental Protection Bureau met with Jan Egeland.

Egeland is scheduled to meet with leaders of the Chinese Institute for International Strategic Studies, and then leave for Shanghai tomorrow.

Zou Jiahua Attends Ceremony With British Firm

*OW2602110793 Beijing XINHUA in English
0759 GMT 26 Feb 93*

[Excerpts] Beijing, February 26 (XINHUA)—A contract for China to import an acetic acid unit from Britain was formally signed here today.

The China National Technical Import and Export Corporation is to import the unit for the Shanghai Wujing Chemical Complex, part of the Shanghai Pacific Chemical (Group) Corporation.

The acetic acid unit will use low pressure carbonylation technology from BP Chemical Ltd. [passage omitted]

There is an increasing demand for acetic acid in China's domestic market. The new unit will ease shortages and help develop a series of products related to acetic acid and coal carbon chemistry.

The installation of the acetic unit, the first in the country, is scheduled to be completed within three years, according to the contract.

Chinese Vice-Premier Zou Jiahua and heads of the Shanghai municipal government attended the signing ceremony.

CPPCC Official Meets Netherlands Delegation

*OW2302140693 Beijing XINHUA in English
1242 GMT 23 Feb 93*

[Text] Beijing, February 23 (XINHUA)—Wang Guangying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with and feted a delegation from the Economic and Social Council of the Netherlands led by its executive member Dr. C.K.F. Nieuwenburg here this evening.

Dr. Nieuwenburg and his party arrived here Sunday [21 February] on a goodwill visit to China at the invitation of the CPPCC. The visit is designed to get a better understanding of China's present economic growth.

Political & Social

Ministry Admits 2 Student Leaders Still in Jail

HK2602061193 Hong Kong RTHK Radio Four in English 0500 GMT 26 Feb 93

[From "News at One"]

[Text] The Justice Ministry in Peking has confirmed that two of the most wanted student leaders from the 1989 pro-democracy protests remain in jail nearly four years after the movement was crushed. When the government earlier this month released Wang Dan, who headed the wanted list of 21 student leaders sought by the authorities, it said all students who had violated the criminal law during the protests had been freed. But the ministry's spokeswoman today confirmed that Liu Gang, who was No. 3 on the list, and Zhai Weimin, who was No. 6, remain in jail.

Dissident Wang Dan Reveals Details of Detention

HK2602113293 Hong Kong Asia Television Limited in Cantonese 1340 GMT 25 Feb 93

[From the "News Magazine" program, narrated by reporter Li Tsan-jung, carrying excerpts of an interview with pro-democracy activist Wang Dan by reporter Chen Tieh-piao; place and date not given—recorded]

[Text] [Li] Wang Dan, leader of the 1989 student movement, was paroled last week; he immediately accepted an interview with reporters, and we reported on how he felt at that time. It has been a week now and he has started to readapt to a new life and pick up various kinds of information from the outside world. One of our reporters had a detailed discussion with him on his latest feelings.

[Begin recording] [Wang] There was no sunshine inside the jail. Oh, I can now let the sun shine on me. [end recording]

[Li] Wang Dan, who can now see the sky again, said he has often viewed his experience calmly. Wang Dan said that from the time of the 1989 student movement—which erupted when Hu Yaobang, former general secretary of the CPC Central Committee, passed away—to the time when the student movement was crushed and he himself was chained up in jail, he was psychologically prepared to go to jail and was never afraid.

[Begin recording] [Wang] I was prepared for it, because Ren Wanding went there in the past, and Chen Zhiming went there. When I saw them I asked them about the situation in the jail, and I was prepared for it. Of course, I could not predict the concrete date when I would be sent to jail, but I thought that from the nature of the activities I had pursued, sooner or later I would have to go behind bars. Therefore, I was very calm at that time, because I had anticipated it. [end recording]

[Li] Wang Dan lost his freedom during those three and a half years of imprisonment, but he learned how to play guitar, play bridge, and smoke.

[Begin recording] [Wang] Oh, I began smoking sometime near the end of 1991.

[Chen] Was it because you felt bored?

[Wang] Yes, certainly it was very boring. Because we were locked up in that environment and were not allowed contact with other people or other criminal prisoners, but were only allowed to talk to the several persons in the same cell. When we talked, I did not want to discuss political problems extensively for fear of getting them into trouble, and other people would not dare to talk to me either; and second, we did not have very much of a common language. Therefore I always stayed alone and read, and this was boring; then, I started smoking. [end recording]

[Li] Of course, smoking could not help remove all the sadness. The cell where Wang Dan stayed had a total of six people, five were criminals. Wang Dan said he had never seen other political prisoners in jail, and he could not have contacts with other prisoners except the inmates in his cell. Of the prisoners staying in his cell, some had a double identity. They had a special duty, that is, to watch his daily life.

[Begin recording] [Wang] They assigned several criminal prisoners to watch me. The government gave them a political duty. Therefore, the two persons who were there to watch me did not have to participate in labor, while others did their chores. But they got rewards. In our prison, there were certain kinds of rewards, and if you got them you may have a reduction in sentence. The rewards they got were as big as those who worked hard the whole day, because they had accepted the political duty. So, they could just sit there and talk leisurely the whole day, and that was enough. [end recording]

[Li] After coming out of prison, Wang Dan returned to Beijing University to attend to his registration and has seldom gone out. He has stayed at home and read. Wang Dan said he was afraid that he would get his friends into trouble if he went to visit them.

[Begin recording] [Wang] Since coming out of the prison, I have not visited other people. If others come to see me, it means they have no fear. Anyway, this is not illegal. Chinese law does not prohibit my schoolmates and friends from coming to see me. I am now a free person. Why cannot they see me. Of course they can. [end recording]

[Li] The schoolmates and friends Wang Dan wants to see certainly include these pro-democracy persons who have gone through thick and thin with him and have fled to foreign countries. Some of them have been criticized for having a decadent lifestyle, or being too dictatorial, or lacking scientific methods for managing the financial problems of the Federation for Democracy in China.

Yan Jiaqi, the first chairman of the Federation for Democracy in China, has openly admitted that different opinions exist in the federation.

[Begin recording] [Yan] The federation's internal difficulty is that these people, who are from the mainland, have been influenced by the CPC for a long time, and the CPC culture is probably having an impact here, and led to some internal differences. [end recording]

[Begin recording] [Wang] Concerning their conditions, I heard something when I was in jail. The official newspapers gave a very bad description of them. But I did not believe it because it was the government's description. I have heard some news since coming out of prison, but not much. I have heard that the process was very complicated. I hope that whether at home or abroad, individuals may have their will, but I hope that first, everyone can cherish the status of being a pro-democracy element; and second, can maintain unity and an overall image. I do not want to see any internal struggles whatsoever. [end recording]

[Li] While he was imprisoned, Wang Dan once sent an open letter to the National People's Congress Standing Committee, raising 25 political demands. Now he has been paroled, Wang Dan said he would publicly act as an opposition party within the parameters permitted by the authorities. Compared with other pro-democracy persons who have fled to foreign countries, Wang Dan lost his precious freedom; however, during the several years of his imprisonment, he was able to put his mind at ease and read a lot of books, and he considered that as some kind of compensation.

[Begin recording] [Wang] I read different kinds of books; I like different kinds of books. There was nothing much to do and I just read books, and I would read some books every day. Therefore, each month when my family came to see me they carried large and small bags, and that was quite nice.

[Chen] That was quite nice.

[Wang] I read more books than when I was in school. We were very busy in school. The whole day we would rush here and there for democracy, and carry out those activities; so I almost had no time to read. Therefore, I am particularly happy that in the past several years I could read books seriously.

[Wang] Did they take pictures with my two fingers raised when I walked out of jail?

[Chen] Two fingers?

[Wang] I stretched two fingers representing a V as I walked out of jail. They cut it out. [end recording]

'Serious' Firearms Theft Case 'Cracked'

HK2602111693 Beijing FAZHI RIBAO in Chinese 16 Feb 93 p 1

[By correspondents Liu Shuqi (0491 2885 1142) and Zhang Chunlu (1728 2504 6922), and reporter Liu Heping (0491 0735 1627); "Extraordinarily Serious Case of Firearms and Ammunition Theft Cracked in Shijiazhuang"]

[Text] Shijiazhuang, 15 Feb (FAZHI RIBAO)—Recently, the public security organ of Shijiazhuang city cracked a case of firearms and ammunition theft, the biggest since the founding of New China, recovering all 11 pistols and 1,330 cartridges that had been stolen. On 14 February, the culprit, Zhang Yanming [1728 1750 2494], was sent back to Shijiazhuang for trial.

On the night of 30 January, the arsenal of an army unit stationed in Jingxing County, Shijiazhuang, was broken into and 11 Model 5-4 and 5-1 pistols plus 1,330 cartridges were later found missing. After the theft, the public security organs of Shijiazhuang and Jingxing County took prompt action and mobilized a crack force to start investigation. On the night of 13 February, thanks to the all-out cooperation of Shanxi provincial public security authorities and an army unit, Zhang Yanming, the culprit who had stolen the firearms and ammunition was arrested in Shizhao Village, Yuci city, Shanxi Province, and brought to justice.

At the moment, this case is being further processed.

Journalism Professor Calls for Media Reform

HK2602102593 Beijing ZHONGGUO XINWEN SHE in English 0844 GMT 26 Feb 93

[Text] Beijing, February 26 (CNS)—Journalistic scholar and professor of the Department of Journalism at the People's University of China, Mr Gan Xifen, appeals for reform of the media system in China. Professor Gan, in an article titled "The New Situation Calls for Reform of the Media System" soon to be published, says that the media as it is at present must not only be reformed in its outward appearance but must be reformed in depth.

Professor Gan says that despite the big changes that have taken place in the economic sphere in the more than ten years of reform and opening in China, the sphere of the media has virtually remained at the stage when China was closed to the outside world. He complains that some news about China actually comes from sources abroad and is in a sense like exporting a commodity abroad only to have it re-imported for domestic consumption. "This brings great shame on China's media," he says. China's policy on the media is that which existed when the country was at war and he asked when such a policy will be done away with.

Professor Gan says that a non-party media must be allowed to flourish and that a line should be drawn

between the party media and the non-party media with the latter feeling free to express its views.

He says that at the setting up of New China, Mao Zedong and Zhou Enlai both favoured the keeping of a non-party media. Zhou said that there was nothing wrong in retaining a rival media.

Professor Gan holds that the competitive mechanism should be introduced into the media industry and predicted that when thought is liberated and there is greater freedom in this sector, there will be a true example of "letting a hundred flowers bloom and a hundred schools of thought contend".

Qiao Shi Stresses Study of Deng Xiaoping Theory
OW2602061393 Beijing XINHUA Domestic Service in Chinese 1020 GMT 23 Feb 93

[Text] Beijing, 23 February (XINHUA)—At an opening ceremony today for the 1993 spring session of the Central Party School, Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and president of the Central Party School, stressed that arming the entire party with the theory of building socialism with Chinese characteristics is a fundamental task for our party throughout the entire initial stage of socialism, and the entire process of the nation's reform, opening up to the outside world, and modernization; and is also a major assurance of our winning greater successes in socialist modernization.

This spring the Central Party School has a total of 1,010 on-campus students. Of nearly 500 new students, 45 are provincial and ministerial-level cadres attending a class for advanced studies; 415 will attend an advanced studies class for prefectural and department-level cadres; and 37 will attend an economics teachers' training course under the department of theory. There are also an additional 1,810 students attending branch schools in organs under the party Central Committee, in state organs, and in military units.

On behalf of the CPC Central Committee and Central Party School council, Qiao Shi extended a warm welcome to the students. He said: As this is the first school session since the 14th CPC National Congress, fellow comrades attending classes at the party school have the major task of arming themselves with the theory of building socialism with Chinese characteristics, and enhancing their consciousness and steadfastness in implementing the party's basic line.

Qiao Shi pointed out: Practice over the past 14 years has proved that the theory of building socialism with Chinese characteristics is an ideological and theoretical weapon for uniting the thinking and action of the entire party as well as the people of the whole country, and for guiding us from victory to victory. In addition, the currently developing circumstances have fully proved that the question of whether we are able to correctly implement the guidelines of the 14th CPC National

Congress and further accelerate the reform, opening up to the outside world, and socialist modernization also hinges on the ability of our party, particularly leading cadres at various levels, to correctly understand, master, and apply the theory of building socialism with Chinese characteristics; to integrate the party's line, and general and specific policies with the actual situation in individual localities and departments; and to carry out our work in a creative manner.

Speaking on the domestic situation, Qiao Shi said: Inspired and guided by Comrade Xiaoping's important speeches during his inspection of south China as well as the guidelines of the 14th CPC National Congress, the vast masses of cadres and people have been high-spirited, vigorous, united, and forged ahead courageously in the past year to push the nation's reform, opening up to the outside world, and modernization into a new development stage and to bring about flourishing development in various undertakings. Under this great situation, however, we should also notice with a sober mind some problems that deserve attention. For instance, the issuing of IOU notes in agriculture, excessive burdens on peasants, and the extravagant scale of capital construction which pushes up the prices of certain raw materials, and aggravates the shortages of energy, communications, and transportation facilities.

Qiao Shi believed that whether we will be able to do a good job and accomplish our historical task depends on whether we can comprehensively and accurately master the theory of building socialism with Chinese characteristics and the guidelines of the 14th CPC National Congress. Leading cadres' ability to master and apply the theory will decide the overall quality and standard of leadership of the party. He urged leading cadres to concentrate their efforts on improving thinking, theoretical knowledge, and leadership; to comprehensively and correctly study and master the theory of building socialism with Chinese characteristics; and to work hard and learn to apply the Marxist stand, viewpoints, and methods to the analysis and solution of practical problems.

Qiao Shi pointed out: In party building, party committees at various levels must be persistent in paying utmost attention to the study of the theory of building socialism with Chinese characteristics to achieve the desired results. He said: More and more new circumstances and problems are emerging with the acceleration of the reform, opening up to the outside world, and modernization, these call for greater attention to the guiding role of theory as well as greater efforts by leading cadres at various levels to arm our thinking, and improve political quality and leadership with creative Marxism.

Qiao Shi said: To study the theory of building socialism with Chinese characteristics in a more systematic and practical way, instead of in a scrappy and vague manner, we should carefully select and read a number of original works by Marx and Lenin and expositions by Comrades Mao Zedong and Deng Xiaoping that relate to this

subject as well as the 14th CPC National Congress documents; and place the focus of study on Comrade Deng Xiaoping's works on the theory of building socialism with Chinese characteristics. He said: We should not only study and master Comrade Deng Xiaoping's strategic thinking and theoretical standpoints, but also learn from his scientific attitude and creative spirit in skillfully applying the Marxist stand, viewpoints, and methods to the study of new circumstances and solution of new problems; emulate his ability to break through outmoded conventions and shake off those outdated, unrealistic old expositions, while succeeding his predecessors' work; and learn from his skill in pooling the practical experiences and collective wisdom of the masses of people to carry forward and develop Marxism.

Xue Ju, executive vice president of the Central Party School, also spoke at the opening ceremony. Lu Feng, Hou Zongbin, Zheng Bijian, Xu Ruixin, Zheng Keyang, Su Xing, Xing Bensi, and other responsible persons from relevant central departments attended the graduation [as received] ceremony.

QIUSHI Supports CPC Leadership Over Army

OW2602033693 Beijing QIUSHI in Chinese No 3, 1 Feb 93 pp 44-45

[Article by Hao Yuqing (6787 3768 1987) from the "Cadres Studying Theories" column: "Why Is It Necessary To Unwaveringly Uphold the Party's Absolute Leadership Over the Army?"]

[Text] In his report to the 14th CPC National Congress, Comrade Jiang Zemin emphatically pointed out: "It is necessary to unwaveringly uphold the party's absolute leadership over the army." How do we view and understand this issue?

1. Only by upholding the party's absolute leadership over the army can we maintain our army's proletarian nature. The party must develop and lead the army, and the army must absolutely obey the party's leadership. Such a requirement—determined by our party's nature and our army's class attributes—is the prerequisite for upholding Marxist theory on army-building. The army is a tool in political struggles: In a class society, the army definitely belongs to a certain class; there has never been a supra-class army in history. A proletarian army is a tool for the proletariat and its political party to carry out political struggles. Such a fact has never been concealed by any proletarian political party. Lenin announced publicly: The army is "a tool that fights for the workers' interests." Comrade Mao Zedong repeatedly pointed out: Our army is an armed force that executes revolutionary political missions, totally aimed at liberating the people, and thoroughly serving the people's interests. On 21 September 1932, he specifically pointed out: "It is necessary to strengthen the absolute leadership of the communist party—the proletarian vanguard—in the Red Army." Since its founding, the crucial reason why our army was able to develop from a small to a large one, and from a

weak position to a strong one; and was able to establish a new socialist administration ruled by the people, is that our army has an outstanding party spirit, bearing an imprint of the proletariat where it belongs. Our party and army have a natural "blood relationship": The party created the people's army; our army would not have existed without the communist party. There exists an unchangeable "superior-subordinate relationship" between our party and army: The army belongs to and is subordinate to the proletariat, therefore unwaveringly accepts the leadership of the CPC—the proletarian vanguard. In other words, "the party commands the guns." Under the party's absolute leadership, its objectives have become our army's objectives; the party's missions are our army's missions; the party's aims are our aims; and when the party pursues the mass line in its work, it becomes the fundamental line in our army's work. It is precisely the "unification" of the party and army that has enabled our army—which mainly consists of peasants—to overcome the peasants' narrow-mindedness; that has armed our army with a brand-new Marxist world outlook and methods; and that has transformed it into a truly proletarian armed force, thereby facilitating the army to occupy an invincible position from beginning to end. In recent years, communist parties in some countries have collapsed; the quality of their armies has worsened; and their societies have become chaotic. Although many reasons can be found, we cannot omit one principal root cause of the trouble: They weakened the party's leadership over the army; carried out so-called "separation of the party from the army and depoliticization of the army;" and succeeded in disconnecting the army from the party's leadership. Therefore, to ensure that our army's nature will never change, we must unwaveringly uphold the party's absolute leadership over the army.

2. Only by upholding the party's absolute leadership over the army can we effectively overcome various erroneous tendencies to maintain a firm and correct political orientation. Our troops—living among other social sectors in society—are unavoidably susceptible to the influence of various mistaken concepts, and malevolent tendencies at home and abroad. Particularly at a historic turning point, such mistaken concepts and malevolent tendencies may grow and spread among the troops; they may even endanger the stability, centralization, and unification of the army. Only by relying on the party's leadership can we effectively resist and overcome the encroachment and interference of various erroneous tendencies. This fact has been proved by historical experiences. From June to October 1935, the Red Army relied on the party's leadership; crushed Zhang Guotao's activities of keeping troops for his individual influence, and of splitting the Red Army and the party; and consequently guaranteed the party Central Committee's unified leadership over the Red Army. During the War of Resistance Against Japan, the Red Army rectified Wang Ming's mistaken stance: "All endeavors and moves must be assessed and approved by, and be under the command of, the United Front" and that the party

relinquish its leadership over the army; and eventually guaranteed the communist party's correct leadership over the Eighth Route Army and the New Fourth Army. During the War of Liberation, targeting at the tendencies promoting individual arbitrary decisions and peremptory actions as well as decentralization, the party Central Committee reiterated the principle regarding the party's absolute leadership over the army, and upheld and improved the party committee system. During the early years of New China, the party Central Committee criticized the incorrect views publicized by Gao Gang's "Thesis on the Army and Party," and eradicated his erroneous influence. During the "Great Cultural Revolution," the party Central Committee crushed the plots of Lin Biao and the antirevolutionary "Gang of Four" to split the party and army in their futile attempts to seize the supreme overall control over the party and army; thereby guaranteeing the army's consolidation and unity. Under the present historic conditions of accelerated reform, we are facing many new situations and problems in army building; therefore, we need to strengthen the party's leadership all the more. The party Central Committee and the Central Military Commission recently stressed: The army must accept the party's absolute leadership. It is necessary to uphold the principle: "The party commands the guns, the guns do not command the party." We must oppose and overcome all erroneous tendencies that are detrimental to the army's consolidation and unity. Such instructions and actions show the greatest concern and love for the army; and they fundamentally point out the direction for our army's comprehensive construction which stresses the modernization drive as its central task.

3. Only by upholding the party's absolute leadership over the army can we ensure that our army correctly executes its functions. The history of our army shows: The party has not only created the army, but has also, from beginning to end, directly commanded and cultivated the army. It has formulated a complete set of leadership principles and organizational systems. Since the PRC's establishment, the party has been the ruling party and the army, led by the party, has been the state army. Not only has the party continued to directly lead the army, but it has also further specified, in legal terms, the latter's status and functions in the national administration. As the pillar of the people's democratic dictatorship, our army shoulders a double mission including guarding against invasion and protecting the integrity of state sovereignty over territorial land, waters, and air, as well as maritime rights and interests; and safeguarding the reunification and security of the motherland. Only by subordinating itself to the party's absolute leadership was the army able to remain invincible during previous wartime periods. Likewise, during the present relatively peaceful environment, only by placing itself under the party's absolute leadership can the army correctly execute its own functions. Only by relying on the party's strong leadership can the army persistently serve the basic interests of the state and people; consistently and

realistically implement the party's basic line; conscientiously obey and serve the state's central task of economic construction; and strive to create a lasting, stable, and peaceful environment which is conducive to the smooth progress of reform, opening up, and economic construction. Only then, can we persistently develop the army with Chinese characteristics in accordance with Comrade Deng Xiaoping's thought on army building under the new era, in an effort to enhance the People's Liberation Army into a strong, modernized, and regularized revolutionary army.

4. Upholding the party's absolute leadership over the army is indispensable to inheriting and carrying forward our army's fine traditions and preserving the true color of the old Red Army. Upholding the party's absolute leadership over the army is a basic principle and fine tradition in building the army, and a major political feature distinguishing our army from armies of the exploiting class. All older-generation revolutionaries and comrades who have participated in revolutionary wars, and who have been tempered and tested in the practice of revolution and construction over a long period have made positive contributions to forming this fine tradition and political feature of our army. During all these years, as old cadres were replaced by new ones, a large number of young comrades have taken over the posts of leadership at different levels. However, some of them lack profound understanding of the history of our party and army. They do not know much about the extreme importance of the need for the army to subject itself to the absolute leadership of the party and the importance of continuing to uphold this principle under the new historical conditions. Therefore, strengthening education in this field is an important mission in our army's construction.

To inherit and carry forward the fine tradition under new circumstances, first, we must have leaders at various levels pay close attention to it; have veteran comrades pass on their experience, give help, and set an example for others; conduct in-depth education; and cultivate it in practice. Second, we must implement the rules and regulations governing the party's command of the gun. In particular, we should stress the need to uphold the principle of democratic centralism and collective leadership. Democratic centralism is a basic principle of our party and state, and it is the most feasible system for upholding the party's absolute leadership over the army. We must conscientiously stick to it under all circumstances. Third, we must have discipline. The party's political and organizational discipline is the common code of conduct for organizations at all levels and all party members. It is also an important guarantee for upholding the party's absolute leadership over the army. Party organizations at all levels in the army and leading cadres in particular must strictly implement and maintain the party's discipline. The individual should be subordinate to the organization, the minority to the majority, the lower level to the higher level, and the party to the central committee. Only by doing so, can the army

become highly centralized and unified, develop itself into a cohesive collective with fighting capacity and capable of always submitting itself to the party's leadership and command under all circumstances.

Shanghai Leaders Talk With Residents on Radio
HK2502144093 Beijing LIAOWANG in Chinese No 7,
15 Feb 93 pp 6-7

[By Ding Yi (0002 0001): "The Mayor Joins the Townspeople in Discussing Government Affairs—On-the-Spot Report on Shanghai Radio's 'Townspersons and Society' Discussion"]

[Text] Recently, Shanghai Mayor Huang Ju and several vice mayors and persons in charge of relevant departments have frequently appeared in the studio of the Shanghai People's Radio Station [Shanghai Radio] for the program "Townspersons and Society." Via the wireless waves, they have discussed government matters with vast numbers of Shanghai residents and exchanged views on hot topics of general concern to the masses and questions affecting their immediate interests. In this way, they have directly listened to suggestions, demands, and voices. It is unprecedented in mainland China that high-ranking government officials in an international city like Shanghai have chatted and exchanged views with the general public. Upon learning this a few days ago, Ding Guangen, member of the CPC Central Committee Political Bureau and head of the Central Propaganda Department, approved of this in Shanghai.

Carry Forward the Tradition of Working for the People

On 20 January, the Shanghai municipal government announced via the news media that in 1993, it would do 12 practical things for Shanghai residents, which mainly include: partially improve urban traffic facilities; straighten out urban traffic order; build a number of gas, water, power supplying facilities; increase telephone users by 250,000 households; set up the "110" emergency call police station; optimize the living environment of urban and rural residents; and improve basic urban and rural medical conditions. The focus of all this is placed on improving traffic and quickening construction of residential houses.

On the afternoon of the day the plan for practical things was announced, Shanghai Mayor Huang Ju came to the Radio Shanghai broadcasting studio to chat with residents and directly listen to their opinions. First of all, he earnestly told them the guiding thought behind the municipal government for doing practical things. He said: "Practical things we are going to do must be embodied in the entire process of economic and urban development, and we must do well in handling the hot issues with which the masses are most concerned and which affect their most immediate interests. We should act according to our capacity on the one hand and do the

best we can on the other." Huang Ju hoped to listen to residents' suggestions about, demands on, and criticisms of the government's work.

Then conversations between the residents and the mayor were broadcast on the radio. A resident said: "The municipal government has done a dozen or more practical things each year over the past eight years, and each of them has won good support from the people. The 12 practical things planned to be done for the year reflect the thoughts, opinion, and aspirations of the people." Another resident Mr. Dai also felt the same. He said: "We really feel that the municipal government has done many practical things for the residents. When we people have insoluble problems, we won't blame our mothers [euphemism for making complaints] now, but will understand and participate in resolving them, because difficulties last but for a while, and the future is promising."

In the radio station's hot-line program, a resident named Chen told Mayor Huang Ju he has not had gas since he moved to a new apartment. Huang Ju immediately asked: "Please tell me your home address. I will tell departments concerned to cope with the problem as soon as possible." Then Huang Ju apologized to him, saying: "Nowadays, many people in Shanghai have moved to new apartments. Since our matching urban facilities cannot catch up, people have not had gas for one year, or even two to three years since they moved there. I am as anxious as the residents." As mayor, Huang Ju hoped the gas company would "go beyond as it should" and "complete the special badly needed projects ahead of schedule."

In the hot-line program, residents talked mostly about the question of urban traffic facilities development and called on public transport departments to improve their service attitude. Huang Ju first praised the vast numbers of residents for their good spirit and tolerance in overcoming difficulties in the course of Shanghai's comparatively massive road repairs projects. He said that was support for the government's work. He said: "In future road repairs, it is necessary to ensure that projects be concentrated, speedy, and civilized [as published] and that residents' inconvenience be reduced as much as possible. On the other hand, we hope vast numbers of Shanghai residents support us. If we fail to do something, you should let us know at once." Speaking on how to improve the service attitude of public transport departments, Huang Ju hoped "relevant departments improve themselves on their own initiative rather than passively doing so when they are told to by the municipal government, or informed of this, or are named on the radio." Moreover, he said several times: Relevant departments must think what the people think and be anxious about what the people are anxious about. They should serve the masses and make things easy for them. We must set strict demands on the staff and workers of a particular department or enterprise in the light of Shanghai's whole city image. If their service attitude is poor, that will "mar"

Shanghai's whole city image. The mayor's moving words made all the radio audience happy.

Cope With Solvable Problems Immediately

In the live broadcast studio, municipal government officials can directly talk, chat, exchange views with, and hold discussions with the residents so that they know and understand the relevant situations and participate in and support them [as published]. This is a new measure the Shanghai municipal government has taken to adapt to rapidly progressing reform and opening up. According to statistics given on the program "Townspeople and Society" of the Shanghai People's Radio Station, from 26 October last year to 21 January this year, a total of 24 people—the mayor, vice mayors, and persons in charge of various commissions and offices of the municipal government—visited the radio station's studio to hold direct conversations with residents and extensively listened to their opinions and suggestions. As for requests, suggestions, and problems voiced directly from the most basic level of society, they immediately said they would accept their views or resolve the problems as long as they are reasonable or solvable. Even for those problems that affect immediate interests, and that involve many areas and are rather difficult to resolve at the present time, they also cordially said they would seriously look into them and give satisfactory replies.

Traffic is the mostly voiced question by the residents in the radio's hot line. According to statistics by relevant departments, as of the end of last September, Shanghai had 300,000 motor vehicles, some 6,600 public transport vehicles, which carry 16 million passengers each day, and over 7 million bicycles as well as over 30,000 motor vehicles coming from other provinces and municipalities, and their number is on the increase. To improve Shanghai's investment environment and urban infrastructure, last year, the Shanghai Municipal Government initiated work in 754 streets and roads, which accounts for 53.8 percent of the municipality's total, of which 540 were in downtown area; this further reduced the original per-capita road area of 1.9 square meters. Unexpectedly, the residents do not complain about the current traffic situation, but are fully confident that they will be able to overcome the temporary difficulties. Over the telephone, they have put forward many pertinent suggestions.

A Mr. Meng suggested to the mayor: Where possible, meetings should not be held in places where there is no parking lot to avoid traffic congestion. Vice Mayor Xia Keqiang said in the hot line: "In the future, in arranging for meeting places, all municipal government departments and all districts will consider the factor of traffic. Thank you for the suggestions." Many residents have found out reasons for traffic jams, maintaining that many of them are caused by a variety of human reasons such as the breakdown of public transport vehicles, their lack of mobility, and the fact that some passengers hold on to the doors of buses or other vehicles and try to crowd onto them when they are already too crowded. They also suggested that public transport departments

strengthen maintenance and repairs of their vehicles and enhance their mobility. As for the tens of thousands of trucks going out and coming into the city proper, the residents suggested that where possible, truck transportation should be scheduled for nighttime. Xia Keqiang said very happily: Thank you all. These suggestions are very practical and are feasible as well.

It is learned that no sooner had Shanghai's public transport head office "heard" it than they finished the repairs of public vehicles running in the downtown area in 10 days, and that the municipality's traffic police headquarters also acted promptly to give quick traffic instructions for the flow of vehicles and people at major downtown crossroads. It is learned that some 70 percent of truck transportation has been arranged for the night, and that the 610 public vehicles running in the downtown now drive for 119,000 km instead of the original 100,000 km [as published].

The comprehensive redevelopment project on the Bund, which was listed as one of the practical jobs for Shanghai Municipality, was completed on 26 September and has changed the face of the Bund. The redeveloped traffic facilities on the Bund stretch for a total of 826 meters and have 10 vehicular passages instead of the original six passages. To make it possible for vehicles to run more quickly, and to make it easy for Shanghai residents to cross the roads, underground passages have been built for pedestrians in such important road sections as Beijing Donglu and Nanjing Donglu. The Bund's new look attracts large numbers of local tourists and tourists from other places. Every day, over 10,000 primary school students visit there, not to mention others. Although traffic facilities have improved considerably, in the month since they were opened to traffic, traffic accidents have increased by 266 percent over last year's corresponding period. According to analyses by relevant departments, most of the traffic accidents are caused when pedestrians are crossing the roads and when drivers put on the brakes. This phenomenon has aroused the residents to think about it at a deeper level. Many residents suggested to Vice Mayor Xia Keqiang saying: While attaching importance to the building of "tangible conditions," the municipal government should attach importance to matching "intangible conditions," improve traffic regulations, strictly enforce laws, make traffic regulations deterring, and raise residents' awareness of traffic regulations. Many residents put forward many concrete suggestions as well, for example, put up eye-catching signposts in the several underground pedestrian passages and erect totally closed protective fences in the tourist area by the Huangpu Jiang.

Those feasible suggestions from the residents are seriously put into practice by relevant departments of the municipal government. Protective fences stretching over 700 meters have now been placed on the Bund, eye-catching signposts now appear on underground pedestrian passages, jay-walking has almost disappeared, and traffic accidents last December decreased by 46 percent from the corresponding period of the previous year.

Any Problems of the Residents, No Matter How Insignificant They Are, Are Big Problems

The conversations between the officials and residents always revealed that for some problems which affect the immediate interests of the residents and which should have been resolved remain unresolved as some departments and basic-level units delay or do not take up the responsibility, the residents could not but lodge their complaints directly with the mayor and high-ranking government officials.

Last 12 October, as Vice Mayor Liu Zhenyuan, who is in charge of science and technology work, was directly discussing the question of how to enable scientific and technological workers to go onto the major battle front of economic construction with vast numbers of scientific and technological workers on Radio Shanghai, a certain design academy engineer said: "The municipal government encourages us to "go into the sea" [go into business] by setting up a high-tech enterprise. Now we have got the license, but the taxation bureau in Kehongkou district does not give us a permit." Liu Zhenyuan immediately said: "They should give you the permit. I hope the science and technology commission in Hongkou district will take care of this."

As Zhu Daren, the municipal public security bureau chief, was soliciting views from the public on the question of how public security work can serve the residents better in the radio station on 8 January this year, a certain Professor Zeng of Shanghai Medical University said on the phone: "I visited the United States last September and returned on 24 October. Then I went straight to the police station in the place where I live to get my identity card. I went there six times and could not find the person handling my case. They have delayed it more than two months now and I do not know how to get it done." She sounded very angry. Zhu Daren immediately said: "Thank you for the question. I am very sorry that you have visited there so many times. Let me help you solve the problem. Please tell me your name and home address, and I will ask the police station to send your ID card right to your home and ask them to apologize to you." After 10 minutes, the voice of Zhang Bingfa, Luwan's public security subbureau head was heard on the radio. He reported to the municipal public security bureau chief, saying: "I have told the head of the police station in Shunchang road to immediately send an officer to the home of that person to learn about the situation and get the thing done." Zhu Daren exhorted: "We must do practical things for the people. If what the person said is correct, it means that something is wrong with our work style. We must do something to make up for this." As Ms. Zeng heard this, she was no longer unhappy and got so excited that she kept saying "thank you, thank you" on the phone.

There are many other insignificant problems like the ones mentioned above, and municipal government officials think them all important and have resolved them or replied to them all. Now the residents praise them,

saying: "In the hearts of municipal government leaders, residents' problems, no matter how insignificant they are, are big problems."

Mayor Praised for Ties With Masses

HK2502134093 Beijing LIAOWANG in Chinese No 7, 15 Feb p 1

[*"Editorial Preface"*]

[Text] The revolutionary struggle and economic construction over the last 50 years show that the people are the source of our strength and that their support is the basis of our success.

Therefore, in his report to the 14th CPC National Congress, General Secretary Jiang Zemin stressed once more: "The workstyle of the party in power and its ties with the masses are a matter of life and death." He demanded that leading bodies and leading cadres at all levels go down to the grass-roots units and investigate and study matters at first hand to learn the wishes of the people, help alleviate their hardships, and take heed of their criticisms ...emphasizing practical work for practical results."

Shanghai Mayor Huang Ju and several vice mayors frequently appeared in the "Townspersons and Society" studio of the Shanghai People's Radio recently. They held direct dialogue and heart-to-heart talks with the residents of the city over the radio waves. In this way, they have heard the suggestions, demands, and criticisms made by the residents on government work. They solved the problems which could be solved immediately and which concerned the masses' immediate interests, such as transport in the urban areas, housing, and supply of water and electricity. They also sincerely told the residents about the difficulties involved if the problems could not be solved for the time being.

Many Shanghai residents were overjoyed by the live broadcast of the telephone conversation between the mayors and residents. They were profuse in their praise: "In the eyes of the municipal government leaders, any problems, no matter how insignificant they are, are big problems." This displayed the residents' appreciation of the government leaders' initiative in getting to know what the people are thinking and listening to their opinions.

We have published in this issue an article—"The Mayor Joins the Townspersons in Discussing Government Affairs." The article reports the workstyle of the leaders of Shanghai Municipality in serving and providing conveniences for the people by modern means of communication. Under the new situation of reform and opening up, the leading cadres at various levels will continue to have the people's support, and our socialist modernization will certainly succeed so long as the leading cadres keep the party's fine tradition of maintaining close ties with the masses, are eager to meet the needs of the people, and perform actual deeds for the people.

People's Congress Handles Grass-Roots Petitions
*OW2502144093 Beijing XINHUA in English 1427
GMT 25 Feb 93*

[Text] Beijing, February 25 (XINHUA)—The Standing Committee of the Seventh National People's Congress has overturned the verdicts on 793 people who were wrongfully accused since it began to handle petitions either by post or presented personally five years ago.

Under the direction of Chairman of the Standing Committee Wan Li, the present people's congress restored its office for handling petitions in 1988, the year it was elected. Wan Li said, "People have placed high hope on us. They will be disappointed if they have seen their views and complaints unsettled or conveyed to departments concerned for investigation."

The office for handling petitions reopened on October 25, 1988.

In the past five years the people's congress standing committee has rectified 404 cases of violation of laws and regulations reported via petition. For example, someone reported an attempt by three lawyers in Liaoning Province to conceal information from a court. In another case someone reported that police in Changchun city, Jilin Province, illegally detained a delegate of the people's congress of Bengbu city in Anhui Province.

Over the past five years the petition department has received nearly 400,000 letters and 68,000 visits in connection with petitions. The standing committee has investigated 4,494 cases based on these reports, and over half of them have been settled.

NPC To Reform Civil Service System
*OW2602122293 Beijing XINHUA in English 1105
GMT 26 Feb 93*

[Text] Beijing, February 26 (XINHUA)—A public servant system will be established in China when it completes all-round reforms in the government organizational structure, according to the Ministry of Personnel.

"Now other conditions are basically ripe" for the system, sources with the ministry, which is in charge of the reform of the country's personnel system, said. A set of rules and regulations formulated by the ministry over the past four years provides a legal basis for the new system.

The public servant system aims to establish open, fair and achievement-based mechanisms to guide government employment, the sources said. The new system includes the following characteristics:

- Open recruitment of functionaries through examinations;
- Regular assessment of functionaries according to their responsibilities; and

—Promotion of functionaries according to their work achievements.

An experiment in the public servant system began in 1989. Pilot departments include the State Statistical Bureau, the State Bureau of Building Materials Industry, the State Administration of Taxation, the State Environmental Protection Bureau, the Auditing Administration and the General Administration of Customs.

The experiment is now being expanded to include provincial government departments throughout the country, which marks an important step in the transformation of the system.

The sources said the transformation of the public servant system is closely related to reforms in government structure and public salary system.

The sources said the Ministry of Personnel has worked out "provisional regulations for public servants of China," which has been approved in an executive meeting of the State Council. The draft regulations will next be submitted to the National People's Congress Standing Committee for examination and approval.

Once the draft is approved and officially promulgated, the reformed public servant system will be thoroughly implemented, the sources said.

Text of Product Quality Law

OW2502212993 Beijing XINHUA Domestic Service in Chinese 0030 GMT 23 Feb 93

[PRC Product Quality Law adopted by the 30th Session of the Seventh NPC Standing Committee on 22 February]

[Text] Beijing, 23 Feb (XINHUA)—The Product Quality Law of the PRC—adopted by the 30th Session of the Seventh National People's Congress [NPC] Standing Committee on 22 February 1993

Chapter 1. General Provisions

Article 1. This law is formulated to improve supervision and control of product quality, clarify product quality responsibilities, protect the legitimate rights and interests of users and consumers, and maintain economic order in society.

Article 2. Anyone who engages in production or marketing of any product in the PRC shall abide by this law.

The product referred to in this law means any processed or manufactured product for sale. This law is not applicable to construction engineering projects.

Article 3. Producers and sellers shall bear their product quality responsibilities according to this law.

Article 4. It is prohibited to falsify or use other's quality symbols, such as trademarks and famous-brand logos. It is prohibited to falsify the place of a product's origin or

to use another's factory name or address. It is prohibited to mix inferior or fake stuff into manufactured or marketed goods and sell them as genuine and good commodities.

Article 5. The state encourages using scientific quality control methods and applying advanced science and technology, and it encourages enterprises to make their products reach and surpass the standards of their respective trades, as well as national and international standards. Rewards shall be given to any organization or individual for remarkable achievements in exercising advanced quality control of products and making products reach advanced levels in international quality standards.

Article 6. The State Council's product quality supervision and control department is in charge of the product quality supervision and control work of the country. Other departments concerned under the State Council shall be responsible for the product quality supervision and control work within the scope of their functional duties.

The product quality supervision and control department of a local people's government at or above the county level is in charge of the product quality supervision and control work in its administrative area. Other departments concerned under the local people's government at or above the county level shall be responsible for the product quality supervision and control work within the scope of their functional duties.

Chapter 2. Supervision and Control of Product Quality

Article 7. The quality of a product must be inspected and verified as being up to standard. It is impermissible to pass a sub-standard product off as an up-to-standard product.

Article 8. Industrial products that might endanger people's health and personal or property safety must conform to national and trade safety standards to protect people's health and personal or property safety. If the state and trade standards for a certain product are not available, the producer must ensure that the product meets the requirements for protecting people's health and personal and property safety.

Article 9. The state practices a system of certification for the quality control system of enterprises in accordance with common international quality control standards. An enterprise may voluntarily apply for certification of its quality control system with the State Council's product quality supervision and control department, or with a certifying organization authorized by the State Council department. If the quality control system is verified as being up to standard, the certifier shall issue the enterprise an up-to-standard quality control system certificate.

The state practices a system of certification for product quality of enterprises in accordance with advanced international product and technology standards. An enterprise may voluntarily apply for certification of its product with the State Council's product quality supervision and control department, or with a certifying organization authorized by the State Council department. If the product is verified as being up to standard, the certifier shall issue the enterprise a product quality certificate, and the enterprise may use a certified symbol on the product or on its packaging.

Article 10. The state shall implement a product quality supervision-and-inspection system based primarily on spot checks to conduct random checks on products that may put human health, personal safety, and the safety of property at risk; on major industrial products that affect the national economy and people's livelihoods; and on products whose quality has drawn complaints from users, consumers, and relevant organizations. Supervision and spot checks shall be planned and arranged by the State Council's administration in charge of product quality inspection. Administrative departments in charge of product quality inspections at local people's governments at or above the county level may organize inspections and spot checks in their administrative zones, but they shall avoid overlapping spot checks. The findings from spot checks on product quality shall be released to the public. Where the law contains other provisions about supervision and inspection of product quality, such provisions shall be upheld.

Products may be inspected according to the needs for supervision and spot checks, but no inspection fees shall be charged from enterprises. Inspection fees required for supervision and spot checks shall be listed as expenditures according to State Council provisions.

Article 11. Product quality inspection organs must fulfill relevant requirements and possess relevant capabilities to conduct inspections; they may only conduct inspections of product quality after they have passed tests administered by administrative departments in charge of supervising product quality under people's governments at or above the provincial level, or by departments authorized by these administrative departments. Where the law or administrative statutes contain other provisions about product quality inspection organs, such provisions shall be upheld.

Article 12. Users and consumers reserve the right to inquire producers and sellers of products concerning product quality issues; when complaints are sent to administrative departments in charge of supervising product quality, administrative departments for industry and commerce, or other pertinent departments, these departments shall be responsible for handling them.

Article 13. Social organizations that protect consumers' rights and interests may make suggestions to relevant departments about handling product quality problems

reported by consumers, and lend support to consumers in filing lawsuits with people's courts for damage caused by product quality.

Chapter 3. Responsibilities and Obligations of Manufacturers and Sellers Regarding Product Quality

Section 1. Responsibilities and Obligations of Manufacturers Regarding Product Quality

Article 14. Manufacturers shall be responsible for the quality of their products.

A product shall fulfill the following quality requirements:

1. Does not pose an unreasonable hazard level to personal safety and the safety of property, and meets state and trade standards for guaranteeing human health and personal or property safety;
2. Possesses due utilitarian functions, except in cases where its utilitarian flaws are clearly stated;
3. Fulfills the product standards indicated or adopted for it or its packaging, and possesses the same quality as indicated by illustrations or actual samples.

Article 15. Labels on a product or its package shall satisfy the following requirements:

1. They shall bear certificates of inspection for product quality;
2. The name of the relevant product, its manufacturer, and the manufacturer's address shall be indicated in Chinese;
3. They shall indicate the specification, grade, and amount of major elements of a product as required by the special traits and usage of the product;
4. They shall indicate the date of production, the period during which the product can be used safely, or the expiration date when the product must be used within a certain period;
5. Warning labels and warnings in Chinese shall be included when the product can be easily damaged or when personal or property safety is at risk if a product is not used correctly.

Product labeling is not required on unpackaged food or on other unpackaged products which cannot be labeled due to their special traits.

Article 16. Packaging for products that are highly toxic, dangerous, and fragile; products that must be put in an upright position in storage or during transportation; or products that have special requirements, must satisfy relevant requirements; warning labels or warnings written in Chinese containing directions for storage and transportation must be placed on the package.

Article 17. The producers shall not produce any products that the state has issued formal decree on to drop from production for good.

Article 18. The producer shall not falsify the place of origin of a product or use another's factory name and address.

Article 19. The producer shall not falsify or use others' quality symbols, such as trademarks and famous-brand logos.

Article 20. The producer shall not mix inferior or fake stuff into manufactured goods or pass fake or inferior goods off as genuine, good and up-to-standard commodities.

Section 2. Sellers' Responsibility and Obligations for Product Quality

Article 21. The seller shall practice a system of inspection on newly delivered goods to verify the up-to-standard product certificate and other symbols.

Article 22. The seller shall adopt measures to keep good-quality goods for sale.

Article 23. The seller shall not sell any products that have changed quality and lost their effect.

Article 24. The trademarks of goods sold by the seller shall conform to the stipulation of Article 15 of this law.

Article 25. The seller shall not falsify the place of origin of a product or use another's factory name and address.

Article 26. The seller shall not falsify or use others' quality symbols, such as trademarks and famous-brand logos.

Article 27. The seller shall not mix inferior or fake stuff into marketed goods or pass fake or inferior goods off as genuine, good, and up-to-standard commodities.

Chapter 4. Compensation for Loss or Damages

Article 28. The seller shall be responsible for repair, change, or refund under any of the following circumstances, and shall compensate for any loss caused to the user or consumer of the goods sold:

1. Goods that do not perform as they should, and the seller has not told the buyer the fact before the sale;
2. Goods do not conform to the specifications indicated on the goods itself or on its packing; and
3. The quality of the goods does not conform to the quality indicated in the literature, or the quality of the sample.

If the producer or another seller (hereinafter referred to as supplier) who supplies the goods to the seller is to blame, the seller, after making the repair, change, refund,

or compensation according to the above stipulations, may demand compensation from the producer or the supplier.

If the seller fails to make the repair, change, refund, or compensation according to the stipulations of the first paragraph, the product quality supervision and control department or the administration of industry and commerce shall instruct the seller to make redress.

If the sales or processing job contract between producers, between sellers, or between a producer and a seller prescribes otherwise, the parties concerned shall honor the contract.

Article 29. Producers shall be liable for compensation when their defective products have caused physical injuries, or caused damage of other property than the defective products themselves (hereafter referred to as other people's property).

Producers shall not be liable for compensation if they can prove one of the following:

1. Their product has yet to be distributed;
2. There were no defects when their product, which caused the injuries, were distributed; and
3. When they distributed the product, the technology at the time was unable to detect the defects.

Article 30. Sellers shall be liable for compensation when their products' defects were caused by their errors, and these products have caused physical injury or damage of other people's property.

A seller shall be liable for compensation if it can neither identify the producer nor supplier of the defective products.

Article 31. In case a defective product has caused physical injury or damage to another person's property, the victim may demand compensation from the product's producer or seller. If the seller pays the compensation for a product that is the producer's liability, the seller has the right to press for reimbursement from the producer. If the producer pays the compensation for a defective product that is the seller's liability, the manufacturer has the right to press for reimbursement from the seller.

Article 32. When a defective product has caused the victim physical injury, the party that inflicted the injury shall pay the victim's medical expenses, incapacitation-incurred loss of income, and the crippled victim's living allowance; and if the victim dies, compensation shall include funeral expenses, pension for the family of the deceased, and living expenses for people the deceased had to support when he was alive.

In case the victim has suffered a loss of property because of the defective product, the party that inflicted the loss shall recondition the product or compensate for the loss of the property at market price. In case the victim has

suffered from other major losses, the party that inflicted the losses shall pay for these losses.

Article 33. Legal actions demanding compensation for losses caused by a defective product may be taken over a period of two years, calculating from the time the party concerned knew or should know that his rights and interests had been infringed upon.

The right of the first user or consumer to demand compensation for losses caused by a defective product expires after 10 years, except for products with a valid safety period.

Article 34. In this law, the term defect refers to the unwarranted hazard that can cause physical injuries or endanger the safety of other people's property; and in the case when state and trade standards have been set for protecting physical health, physical safety, and property safety, it means these standards have not been met.

Article 35. When a civil dispute occurs over the quality of a product, the litigants may settle the dispute through negotiations or mediation. In case the litigants do not want to do so, or in case the negotiations or mediation fail, they may, in accordance with their agreement, request arbitration from an arbitration organ; and if an agreement cannot be reached by the arbitration, they may bring the case to the people's court.

Article 36. The arbitration organ or the people's court may request a product quality inspection organ prescribed in Article 11 of this law to inspect the quality of the relevant products.

Chapter 5. Penalties

Article 37. A producer whose products do not accord with state and trade standards for safeguarding physical health and physical and property safety shall be ordered to stop production, the products he has produced unlawfully and his unlawful income shall be confiscated, he shall receive a fine ranging from one to five times his illegal income, and his operating license may also be revoked. If his conduct constitutes a crime, his criminal responsibilities shall be investigated according to law.

Article 38. If a producer or seller adulterates his products with counterfeit or shoddy products, or passes counterfeit, shoddy, or substandard products off as genuine, quality, or standard products, he shall be ordered to stop production and marketing, his unlawful income shall be confiscated, he shall receive a fine ranging from one to five times his unlawful income, and his operating license may also be revoked. If his conduct constitutes a crime, his criminal responsibilities shall be investigated according to law.

Article 39. When a producer produces products made obsolete by the state, he shall be ordered to stop production, the products he produced unlawfully and his illegal income shall be confiscated, he shall receive a fine ranging from one to five times his unlawful income, and he may also have his operating license revoked.

Article 40. He who sells expired and degenerated products shall be ordered to stop the sale, have the products that he sells unlawfully and his illegal income confiscated, receive a fine ranging from one to five times his unlawful income, and have his operating license revoked. If his conduct constitutes a crime, his criminal responsibilities shall be investigated according to law.

Article 41. Producers or sellers who counterfeit product origins, counterfeit or illegally use the names or addresses of other plants, or counterfeit or illegally use labels indicating quality—such as stickers indicating approval, prestige, or good quality—shall be ordered to make public corrections. Their unlawful incomes shall be confiscated, and they may also be fined.

Article 42. Those who market or purchase products listed in Articles 37 to 40 in this law through paying or accepting bribes, or through other illegal measures, shall have their criminal responsibilities investigated according to law—if their conduct constitutes a crime.

Article 43. Whenever the product labels do not accord with provisions prescribed in Article 15 of this law, the parties concerned shall be ordered to make corrections; and whenever the labels on packaged products do not accord with items four and five of Article 15 of this law, and if the case is serious, the producers or sellers may be ordered to stop production and marketing of the product, and they may also receive fines ranging from 15 to 20 percent of their unlawful incomes.

Article 44. People who counterfeit inspection information or inspection results shall be ordered to make corrections, and they may also be fined for a sum ranging from one to three times the inspection fees they have collected. If the case is serious, their operating licenses shall be revoked. In case the conduct constitutes a crime, personnel who are directly responsible shall have their criminal responsibilities investigated according to provisions prescribed in Article 167 of the Criminal Law.

Article 45. Industrial and commercial administrative departments shall determine the disciplinary actions prescribed in this law about revoking operating licenses; other disciplinary actions shall be determined by departments in charge of supervising product quality, or by industrial and commercial administrative departments within the scope of authority prescribed by the State Council. When laws and administrative regulations have separate provisions regarding organs having the authority to mete out disciplinary actions, these provisions shall be followed.

Article 46. When a party concerned disagrees with the disciplinary actions, he may, within a 15-day period upon being notified of the penalty, request a reexamination by the organ that is one grade higher than the organ that makes the penalty decision. The party concerned may also directly bring the case to the people's court within the 15-day period.

The organ handling the reexamination shall make a decision within 60 days after receiving the reexamination request. If the party concerned disagrees with the reexamination decision, he may, within 15 days upon receiving the reexamination decision, bring the case to the people's court. When the reexamination organ fails to make a decision within the prescribed period, the party concerned may bring the case to the people's court within 15 days after the reexamination period is over.

In case the party concerned neither requests a reexamination, nor brings the case to the people's court, nor obeys the penalty decision, the organ that makes the penalty decision may request the people's court to execute the decision by force.

Article 47. When state personnel supervising product quality abuse their powers, neglect their duties, or bend the law for the benefit of relatives and friends—and when their acts constitute a crime—their criminal responsibilities shall be investigated according to law; but if their acts do not constitute a crime, disciplinary actions shall be meted out to them.

Article 48. State personnel shall have their criminal responsibilities investigated if they take advantage of their office and deliberately harbor enterprises, institutes, or individuals—who have violated the provisions in this law and whose actions have constituted a crime—from being prosecuted.

Article 49. He who used violence or threats to obstruct state personnel supervising product quality from performing their lawful duties shall have his criminal responsibilities investigated in accordance with provisions prescribed in Article 157 of the Criminal Law; but he who has not used violence or threats while resisting or obstructing the state personnel from performing their duties shall be punished by public security authorities according to regulations for controlling public offenses.

Chapter 6. Supplementary Articles

Article 50. Measures for supervising the quality of military products shall be drawn up separately by the State Council and the Central Military Commission.

Article 51. This law becomes effective on 1 September 1993

Addendum: Relevant articles of the Criminal Law

Article 167. Whoever forges, alters, or steals, or forcibly seizes or destroys official documents, certificates, or seals of state organs, enterprises, institutions, or people's organizations is to be sentenced to not more than three years of fixed-term imprisonment, criminal detention, or control or deprivation of political rights; when the circumstances are serious, the sentence is to be not less than three years and not more than 10 years of fixed-term imprisonment.

Article 157. Whoever, by violent or threatening methods, obstructs state personnel from carrying out their functions according to law, or refuses to carry out judgments or orders of people's courts that already have become legally effective, is to be sentenced to not more than three years of fixed-term imprisonment, criminal detention, a fine, or deprivation of political rights.

Ding Guangen on Social Sciences, Economic Link
*OW2502214593 Beijing XINHUA in English 1615
 GMT 25 Feb 93*

[Text] Beijing, February 25 (XINHUA)—A senior Chinese official said here Tuesday [23 February] that social sciences should serve economic construction as well as the country's reform and opening efforts.

The fundamental task for social scientists is to study, publicize and research the theory of building socialism with Chinese characteristics, said Ding Guangen, a member of the Political Bureau of the Central Committee of the Chinese Communist Party and head of the committee's Propaganda Department.

Ding was addressing a working meeting of the Chinese Academy of Social Sciences (CASS).

The country's practice is calling for great prosperity and development of social sciences, Ding said. It is incumbent on researchers to plunge into the thick of life, concentrate their attention on the country's economic construction and reform and opening and make first-rate achievements so as to provide impetus and support to practice.

Meanwhile, efforts should be made to achieve common prosperity for the various academic disciplines of social sciences, he said.

Ding stressed the importance of serving people and socialism, and abiding by the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" so as to ensure freedom in academic research and promote academic prosperity.

The party and state should give greater support to social scientists and further improve their working and living conditions, Ding said.

Wang Renzi, the new vice-president of CASS, also spoke at the three-day meeting which closed today.

Academy of Social Sciences Proposes Reform
*OW2502144393 Beijing XINHUA in English 1431
 GMT 25 Feb 93*

[Text] Beijing, February 25 (XINHUA)—The Chinese Academy of Social Sciences is planning to gear its research to serving economic construction and reform and opening of the country.

According to a reform proposal, the academy's research programs of such fields as economics, law and political science and sociology will focus on subjects regarding the socialist market economy.

As for international subject researchers, they will pay attention to the post-war capitalist evolution, the proposal said.

For liberal arts, the focus will mainly be on socialist culture with Chinese characteristics.

The Chinese Academy of Social Sciences is a national research center with 5,000 on staff.

The academy plans to allow its institutes to build joint ventures for scientific researches with outside enterprises or to provide services for them on charge, according to the reform package.

Regarding management, a competitive system will be set up and concentrated academic control will be loosened. Institutes are affirmed as frontier research bodies which stand away from administrative units.

"The reform aims to make the social sciences meet a socialist market economy," said Hu Sheng, president of the academy. "And it helps researchers probe new problems."

The social sciences are not a commodity that can be dominated by sheer market force, he said. "However, we still can learn some experience from market practice to tackle our specific situation," he concluded.

Journalists Association Holds Council Meeting
OW2502045993 Beijing XINHUA Domestic Service in Chinese 1022 GMT 22 Feb 93

[Text] Beijing, 22 Feb (XINHUA)—The Fourth All-China Journalists' Association (ACJA) held its third executive council meeting in Beijing today. The participants at the meeting concluded: In 1993, the ACJA's work should be guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the 14th CPC National Congress guidelines, study new situations with new ways of thinking, launch activities with special features, and make the press better serve economic construction and the building of spiritual civilization.

ACJC Vice President Shao Huaze, director and editor in chief of RENMIN RIBAO, presided over the meeting. Executive council members discussed ACJC's major tasks in 1993, emphasizing the need to carry out the following important tasks: Encourage and organize journalists to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, find out the work pattern of the press under the conditions of socialist market economy and vigorously and carefully push forward press reform, do a good job in selecting the

Chinese News Award and Taofen News Award recipients, strengthen the building of the journalists' contingent under the new situation and observe the journalists' professional ethics in light of the current situation, protect journalists' legal rights and interests and reflect their opinions and demands, and launch colorful social activities to serve all kinds of journalists. The ACJC should strengthen ties with Taiwan, Hong Kong, Macao, and international press circles; expand contacts and cooperation with them; and enrich the contents and patterns of activities.

The ACJC will publish ZHONGHUA XINWEN XINXI BAO [0022 0948 2450 5113 0207 1873 1032; CHINESE PRESS INFORMATION NEWS] in the second quarter this year and vigorously establish the Chinese Press Award Foundation.

The meeting elected additional members of the executive council.

ACJC Vice Chairmen Shao Huaze, Li Yen, Guo Choren, Wang Lixing, Zhang Zong, Yang Zicai; and ACJC Secretariat members Wang Zheren, Tang Fei, Li Xiande, Yang Wenji, attended the meeting.

Article on Learning From Shenzhen's Experience
HK2502010093 Beijing GUANGMING RIBAO in Chinese 12 Feb 93 p 1

[“Guangming Forum” article by Xing Bensi (6717 6321 1835), vice president of the Central Party School: “Seriously Study Shenzhen’s Experience”]

[Text] After Comrade Xiaoping’s talks in the south were made public, theoretical workers acquired a new understanding of Shenzhen. However, to acquire a profound understanding, it is still necessary to go deep into Shenzhen’s practice and learn from Shenzhen’s experience in reform, opening up, and modernization; and in building socialist spiritual civilization and Shenzhen’s correct attitude toward the relationship between theory and practice.

For many years past, theoretical workers have been influenced by book worship [ben ben zhu yi 2609 2609 0031 5030] and their understanding of Marxist theory and the theory about socialism was incorrect. When the incorrect theoretical understanding was used to assess and judge things in reality, there was a divorce between theory and reality. When contradictions appeared between theory and practice, our habit of thinking tended to doubt whether the practice was correct rather than first looking for errors in the theory. Such an attitude of using theory to evaluate practice went against the dialectical materialist attitude of using practice to test and adjust theory. Most theoretical workers did this unwittingly. Marxism is a great fruit of human civilization. Some Marxist contents representative of universal regularity are now still valid truths everywhere in the world. However, Marxism was founded over 100 years ago and the creative activities of Lenin and Mao Zedong

are also many decades away from the present. In this period, major changes have occurred in China and in the whole world and practice has continuously challenged the theory. Many events and phenomena which were not mentioned in the works of Marx, Engels, Lenin, and Mao Zedong, are actual facts in reality and Marxist theory must respond to them. If we just rigidly adhere to the words in the works of Marx, Engels, Lenin, and Mao Zedong, we will turn a blind eye and a deaf ear to the new situations and new things emerging in large quantities in real life and our theory will never be creative or develop. The report to the 14th party congress points out that the four cardinal principles not only provide the political guarantee for modernization, reform, and opening, but also need to absorb new contents of the times in the course of modernization, reform, and opening. Marxism’s destiny in China will depend on whether it can absorb nutrition from contemporary China’s practice and from the ongoing historic changes. Comrade Deng Xiaoping’s talks in the south set out a criterion for distinguishing right from wrong and assessing gains and losses. That is, to see whether an act is favorable to developing the productive forces in socialist society, whether it is favorable to increasing the comprehensive national strength of the socialist state, and whether it is favorable to enhancing the people’s living standards. This is also the criterion for testing the theories and seeing whether or not they are in keeping with the practice and whether or not they are favorable to the criteria of modernization, reform, and opening. It deepens and develops the practice criterion reaffirmed by the Third Plenary Session of the 11th CPC Central Committee and the productive forces criterion set out by the 13th party congress.

Shenzhen’s experience is valuable because, before many theories had been clarified, Shenzhen had already taken action in practice. Shenzhen’s logic is not “talk before action” but “action before talk.” Through trials and breakthroughs, that is, through practice, the comprehensive social effects can be evaluated and the correctness, reasonableness, and feasibility of a certain measure can be judged. This is completely in keeping with the “three favorableness” criterion put forward by Comrade Deng Xiaoping. It is also completely in keeping with the dialectical materialist epistemology. Of course, every step Shenzhen took was based on careful consideration and arrangements. Shenzhen’s practice avoided unnecessary debates and won time for development. “Time is money, efficiency is life.” This is the best portrayal of Shenzhen’s spirit. Comrade Deng Xiaoping said: “The absence of debate is my invention. Without debate, we can win time for action. Once a debate begins, the situation becomes complicated and time is wasted. Nothing can then be accomplished. Without debate, people can boldly make trials and breakthroughs. This was what happened in the rural reforms and should also be the approach for urban reforms.” Our theoretical workers should pay special attention to this point. Theoretical workers should also plunge into the tide of reform in order to temper themselves and meet the tests,

thus clearing the way for modernization, reform, and opening in our country. They should not be involved in unnecessary debates on abstract issues. This is another point that we should learn from Shenzhen.

Shenzhen's rich experience is not only valuable for its future development but can also be taken as useful reference for all localities throughout the country. One of our theoretical workers' duties is to jointly study the Shenzhen experience with the comrades in Shenzhen, thus summing up something of universal significance and regularity. If this purpose can be achieved, the work will give a great impetus to reform and opening throughout the country and will represent a major contribution from our theoretical workers.

The Shenzhen experience includes many things of universal significance and regularity. For example, the people there: Have the spirit of daring to make trials and breakthroughs ahead of others; always give priority to infrastructural facilities in conducting large-scale urban construction; attach great importance to educational, scientific, and cultural undertakings; and set great store by the development of socialist spiritual civilization. Take the building of spiritual civilization as an example. Shenzhen not only attaches great importance to imparting scientific and cultural knowledge to the masses and young people but also stresses their ideological and moral education. Shortly after the establishment of the special economic zone, Shenzhen formulated the "General Program for Building Socialist Spiritual Civilization in the Shenzhen Special Economic Zone," stressing the spirit of the "wasteland reclaiming ox" in the course of building and developing the special economic zone. It also advocated the spirit of "pioneering, innovating, unity, and dedication." While advancing modernization, reform, and opening, Shenzhen has always made efforts to crack down on crime. At the same time, it has also set strict demands on the party membership, punishes corrupt elements, commends honest and incorrupt people, and requires cadres to have a "particularly high consciousness, a particularly good style, a particularly strong sense of discipline, and a particularly high work efficiency." Through efforts for over 10 years, Shenzhen has not only become an area with the most developed commodity economy in the whole country but has also become an area with rather good public conduct and morality.

In short, a lot of things in the Shenzhen experience are worth our study. Theoretical workers should, through studying the Shenzhen experience, more deeply understand reform and opening and explore new ways to develop the Marxist theory.

Science & Technology

'Intelligence' Computer System Passes Appraisal

OW2602114093 Beijing XINHUA in English
0851 GMT 26 Feb 93

[Text] Changsha, February 26 (XINHUA)—The Yinhe (Milky Way) intelligence computer system, developed by

the Computer Institute under the National Defense Science and Technology University, has passed state appraisal in Changsha, the capital of central China's Hunan Province.

The success of the system means that China has become one of the few countries in the world with the ability to independently design and produce intelligence computers.

According to Professor Wang Pu, who was responsible for the development, the system has got artificial and traditional program-design languages. It can automatically input written programs and operate on voice command.

The computer will have wide application to aerospace, transport, geological prospecting, machine manufacturing, metallurgy, medicine and health, agriculture, meteorology and seismic forecasting.

Daya Bay Nuclear Station To Open Sep-Oct

OW2502214393 Beijing XINHUA in English
1523 GMT 25 Feb 93

[Text] Beijing, February 25 (XINHUA)—The Daya Bay Nuclear Power Station in Shenzhen, Guangdong Province, will be operational by September or October this year, according to official sources.

As the country's largest project jointly funded by China and overseas sources, the power station has been given top priority by both the central and local governments from the very beginning. Premier Li Peng has paid several visits to the site.

According to the sources, the installation of the no. one generator has been completed, while the installation and modulation of the no. two generator is going well.

Meanwhile, auxiliary facilities such as power transfer lines and recycling pumps are also being installed, the sources said.

Since 1992 a total of 16 top-level quality inspections and 1,001 quality checks have been conducted so as to ensure the safety of the project.

Guangdong To Build More Nuclear Power Stations

HK2502122093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1237 GMT 18 Feb 93

[Text] Guangzhou, 18 Feb (ZHONGGUO TONGXUN SHE)—As the Daya Bay Nuclear Power Station is entering its latter construction period, Guangdong Province will decide this year on the site of its second nuclear power station and invite bids for it. In the meantime, Guangdong is also busy selecting sites for its third, fourth, fifth, and sixth nuclear power stations.

It has been learned that Guangdong will devote major efforts this year to the development of nuclear energy

because of a lack of the necessary conditions for hydropower generating and a serious lack of coal. The province plans that electric power produced by nuclear power stations will account for a quarter of the total, therefore, in the next 10 years, Guangdong is ready to build several nuclear power stations.

In the middle of last year, Guangdong submitted a proposal to the central authorities on the construction of a second nuclear power station; so far it has not been ratified.

An informed source disclosed that site selection for the third, fourth, fifth, and sixth nuclear power stations will start this year along with feasibility studies. Site selection for these power stations will mainly proceed in the eastern and western regions of Guangdong.

Environmental Monitoring Network Marked

HK2502013093 Beijing ZHONGGUO XINWEN SHE
in English 1342 GMT 24 Feb 93

[Text] Beijing, February 24 (CNS)—A meeting marking the setting up of China's state environmental monitoring network was held today in Beijing, raising China's work on environmental protection to a more scientific and systematic level.

The Deputy Director of the National Environmental Protection Agency, Mr. Wang Yangzu, speaking at the meeting, said that after more than ten years' work on environmental monitoring, China had gained a considerable measure of capability with the establishment of 2,043 environmental control stations of various levels manned by 30,000 staff under the control of the agency.

The country's environmental protection control system which is quite broad in its work has monitoring on the atmosphere, water, noise pollution, coastal waters, radioactivity, biological matters, soil, the natural ecology and electromagnetic radiation with the annual collection of nearly 10 million pieces of monitoring data of various kinds. The compilation of an annual report, an annual review, quarterly reports and monthly reports on environmental quality as well as reports on dealing with sources of pollution can promptly reflect the latest state of environmental quality and provide scientific information and other services for environmental administration and policymaking.

The establishment of a state environmental monitoring network, according to Mr. Wang, is aimed at meeting the needs of accelerated reform and opening as well as of the socialist market economy and will eventually upgrade the overall level of environmental control.

"Regulations on the State Environmental Monitoring Network" has been drafted and will be implemented after approval by the State Council.

Military

Jiangsu Military District Party Session Held

OW2502043993 Nanjing XINHUA RIBAO in Chinese
13 Feb 93 p 1

[Unattributed report: "Gain a Clear Understanding of the Situation, Set Specific Tasks, and Create New Prospects for the Work of the Provincial Military District"]

[Text] The seventh enlarged plenary session of the ninth provincial military district [PMD] party committee set the following goals for the military district in 1993: strive to adapt to the new situation characterized by an accelerated drive toward reform and opening up and by a socialist market economy, and promote a new stage in building regular and reserve troops, in accordance with the 14th national party congress guidelines, Comrade Deng Xiaoping's thought on Army building during the new era, and the general requirements of Army building as outlined by Central Military Commission Chairman Jiang Zemin. The enlarged plenary session was held in Nanjing 9-12 February. The session conveyed the guidelines of the enlarged meeting of the Nanjing Military Region party committee, reviewed the PMD's work in 1992, and studied and made plans for tasks during the new year.

During the session, Secretary Wei Changan of the PMD party committee delivered a work report on behalf of the party committee standing committee; Chen Chungeng, member of the standing committee and secretary of the PMD party committee discipline inspection commission, delivered a work report on discipline inspection on behalf of the PMD discipline inspection commission. Zheng Bingqing, member of the provincial party committee standing committee and deputy secretary of the PMD party committee, gave a summary speech.

Shen Daren, secretary of the provincial party committee and first secretary of the PMD party committee, attended the session and delivered an important speech. He said: During the past year, the PMD achieved new results and made new progress in all fields of work as it carried out a great deal of productive work under the leadership of the Nanjing Military Region and the Jiangsu provincial party committee. He asked party committees and governments at all levels to show greater concern and support for Army reform and building and to promptly solve problems regarding Army, militia, and reserve building while concentrating on economic construction. Military departments at all levels should take the buildup of primary militia and reserve organs as a long-term task, sharply focus their attention on the central task of economic construction, demonstrate their special skills and strengths, and play a greater role in accelerating reform opening up, and economic construction.

Economic & Agricultural

'Pen Talk' on Development in Competition
HK2602074293 Beijing RENMIN RIBAO in Chinese
15 Feb 93 p 5

[("Pen Talk" column under the heading "Arming the Whole Party With Comrade Deng Xiaoping's Theory on Building Socialism With Chinese Characteristics" by Yang Bo (2799 3134): "Be Brave in Blazing New Trails, Seek Development in Competition"]

[Text] At present, the key link in building the socialist market economic structure is precisely to convert the operational mechanism of state-owned enterprises, especially large and medium ones, while pushing them toward the market, augmenting their vitality, and improving their quality. This point has been made very explicit in the 14th party congress report. To implement this requirement, government must convert its function and push enterprises toward the market, and should no longer regard them as the government's own subsidiary units that can be arbitrarily commanded and manipulated, while directly intervening in the enterprises' specific affairs in production and management. Now that government is to push enterprises toward the market, what are they to do? Enterprises should also change their concepts and thinking, and by no means should they rely on the government to take care of everything, including their production and operational activities, nor should they expect the government to provide them with raw materials and fuel, and take care of the allocation, purchase and marketing of their products. They must consciously adapt themselves to the requirements for building and developing the socialist market economy, enthusiastically and actively open up the market with great efforts, genuinely "refrain from seeking the mayor to help find a market," be brave in learning to swim in the ocean of the socialist market, and learn to operate and seek survival and development in competition.

Work Hard To Blaze New Trails, Stand Firm in Market Competition

China is a large developing country with a territory covering 9.6 million square km, considerable abundance of resources, and a population of over 1.1 billion; it is a unique huge market for the world today awaiting further development. An extremely important stimulus for the willingness of foreign entrepreneurs as well as Hong Kong, Macao and Taiwan compatriots to initiate enterprises in the mainland is precisely their optimism regarding our market with tremendous potential for development. However, many of our enterprises, especially some state-owned large and medium ones, are used to the traditional planned economic life, and have failed to fully understand the necessity and importance of opening the market on their own initiative as of today, or have seen such necessity and importance but have attached insufficient importance to the issue, thus

remaining passive. Both historical experiences and realistic facts have demonstrated that the market does not take shape naturally, nor will it remain totally unchanged, but calls for people to work hard to cultivate and open it up in a big way with the development of commodity production and changes in demands in people's lives. Everybody knows that the Chinese food culture has all along enjoyed a great reputation in the world; however, for a very long time our catering business and foodstuff industry have been managed in line with the old tradition and ways, lacking the spirit of blazing new trails and not being aware of the new demand for the catering business resulting from the elevation of people's purchasing power and the quickened tempo of life since reform and opening up. They have failed to promptly and actively open up new production areas, increase varieties and expand operational scope to open up a new catering market. As a result, an extremely abnormal situation surfaced in almost every big city a few years ago, namely, people universally found it difficult to dine out, whereas business was slack in many state and collective-owned restaurants, which, again, failed to enthusiastically expand their networks and add new varieties. The U.S. "Kentucky Fried Chicken" fast food group was optimistic and sure of China's huge market, and took the lead in setting up the first "Kentucky Fried Chicken" fast food restaurant in China's capital city of Beijing. It attracted numerous customers on its opening, and did good business, with turnover soaring rapidly and considerably great profit. Eventually, several branches were set up successively in Beijing, and soon Beijing Kentucky Fried Chicken became the largest of the group in the world. That caused a sensation in China's catering business, economist, and public opinion circles. People were discussing and thinking: Why should not China initiate its own fast food restaurants with Chinese cooking? Why should not the Chinese actively blaze new trails and occupy the huge market of the catering business, which actually concerns everyone? Happily, with people's sense of reform and opening up augmented and the attention of related departments in various places, fast food restaurants with Chinese cooking soon emerged. Although they are not quite developed, they have their own place in the market with some competitiveness. Today, China's first fast food restaurant, Shanghai's "Ronghua Chicken" has become established in Beijing after competing with Shanghai's "Kentucky Fried Chicken" for some time with some degree of victory. It has opened its Beijing branch on Beijing's Dongsi to compete with the "Kentucky Fried Chicken" in the neighborhood. Under the guidance of the policy of coexistence of various economic factors, the catering business in various places has made great progress in recent years along with the development of the fast food catering business in Chinese cooking, and the market for the catering business has greatly developed; today, people no longer "find it difficult to dine out." In the past, we put cosmetics in the category of luxuries, with a high tax rate, and the industry stagnated for years. Things have changed greatly in the 14 years since reform and opening up. The

gross output value of the cosmetics industry used to be 200 million yuan in 1982, and was estimated to be 6 billion yuan in 1992, 30 times that in 1982. This shows that China's market potential is really great and extensive in scope, and calls for all trades, professions and enterprises to work hard to open it up.

Emancipate the Mind, Seek Development in Market Competition

To develop the socialist market economy and open up the market, it is primarily necessary to emancipate the mind, renew concepts, and keep abreast of the march of time. Enterprise leaders, decisionmakers and even all functional departments, workers, staff members and masses should acquire a sense of competition, establish the concept of competition, and should not continue to lead a peaceful life as in the past under the traditional planned economic structure. The ruthless law governing the market economy is precisely survival of the fittest, with the able moving up and the inferior moving out. Enterprises should convert the operational mechanism and genuinely become commodity producing and managing units assuming sole responsibility for profits and losses, operating on their own according to the law, and capable of self-development and self-restraint according to the law. This being the case, enterprises must face the market, pay constant attention to changes in market supply and demand, and promptly recognize the new demands continuously set by the broad masses of consumers, enthusiastically organize production, improve operation, expand the scope, and increase sales by taking the initiative in their own hands while developing themselves in competition and increasing economic returns. This is the case with the domestic market, and more so in opening up the world market.

To open up the market and expand the volume in occupying the market, all enterprises should acquire the spirit of blazing new trails, pay attention to readjustment of the product mix, continuously develop new products, increase new standards, varieties and styles, and work hard to improve product quality to gain the upper hand with novelty and quality, so that they can meet ever-changing market demand and the various needs of different consumers, while being able to play the role of guiding and promoting consumption. Here we should emphatically explain that the enterprise should attach importance to the use value of its products while developing the socialist market economy. For a long time in the past, there was short supply in the market because of an undeveloped commodity economy, and many varieties of commodities were rationed and in a sellers' market, and the enterprises supplied and marketed whatever they produced, whereas the consumer had no choice at all. Such conditions resulted in the fact that more often than not our enterprises paid attention to the value of their products, simply pursuing output value while neglecting the importance of the use value of their products, thinking very little about whether or not their products would really suit the consumers' needs in using them. Anyway, "the emperor's daughter never worries

about finding herself a husband," and their products would always be sold; but now things have changed. With the rapid development of industrial and agricultural production since reform and opening up, the supply of goods on the market has been greatly enriched, and people's purchasing power has markedly risen. Under this new situation and in the course of developing a socialist market economy, if the enterprises fail to attach importance to the use value of their own products, study and develop new products in light of the different needs in consumption and usage, increase new standards, varieties, and styles, and constantly and effectively improve the functions and quality of their products, they will find it very difficult to attract consumers and remain invincible in market competition. This being the case, all enterprises should pay great attention to the reproduction of value and strive to gain the greatest economic returns with the least consumption of labor (including human labor and mechanical work), while attaching greater importance to the reproduction of use value. Only when their products are attractive to the consumer and boast utility value meeting his need and liking will it be possible to widen the market, expand their sales and genuinely realize the value of the goods, thus bringing along a fast and sound development of production.

To be able to continuously provide the market with new, fine-quality and good-function products in great variety and new styles so that products are constantly renewed, with competitiveness in the market augmented, an enterprise must strengthen work in product design, and substantiate strength in this area. In the course of market economic development, should enterprises remain unchanged whatever the circumstances as in the past, failing to constantly renew their products in the face of ever-changing market demand, there will certainly be no way out for them. This being the case, it is necessary to attach importance to product design, studying a product's market and use cycle, and to work hard to reserve [chu bei 0328 0271] a generation of products and study and manufacture a new generation of products when a certain generation of products are produced, and by no means should we continue the past consistent system. Jiangsu's Chunlan Air-Conditioning Equipment General Company has augmented the sense of the market and set up a whole-ranging enterprise operational mechanism, with its output value increasing from some 10 million yuan in 1986 to 1.2 billion yuan today, its annual profit and tax handed over to the state breaking through 180 million yuan, up 64-fold [fan le liu fan 5064 0055 0362 3972] within six years, and its products spreading all over China and marketed in some 10 countries and regions. It has become most outstanding in that trade. That company's secret in scoring such great accomplishments is precisely its attaching great importance to developing new products while establishing a development cycle characterized by conceiving plans for new products, research-developing, trial-producing, putting into production, and reserving new products of one generation after another. Its experience is worth studying.

To develop one generation of new products after another and continuously augment an enterprise's staying power for development, it is imperative to rely on progress in science and technology, and augment the input of state and enterprise into them. Enterprises must retain funds for the development of new products based on related state regulations. Those enterprises with good economic returns and strong bearing capacity may retain appropriately greater funds. At the same time, it is necessary to fully mobilize and rely on the masses of workers and staff members to unfold activities in technological renovation to promote the replacement of products.

Beijing To Import More Technology, Equipment

*OW2602114293 Beijing XINHUA in English
0807 GMT 26 Feb 93*

[Text] Beijing, February 26 (XINHUA)—China plans to spend 350-400 billion U.S. dollars to buy foreign technology, machinery and raw materials during the eighth five-year plan period (1991- 1995), a State Planning Commission official said here today.

Speaking at a press conference, Gan Ziyu, vice-minister of the State Planning Commission, said the large-scale purchases of foreign technology and goods were designed to accelerate the construction of the country's communications system, energy supplies and other infrastructural projects. The massive purchases will also help develop China's machinery, electronics, petrochemical and auto industries.

Under the government plan, an average of 70-80 billion U.S. dollars will be used annually to import technology, machinery and raw materials over the five years' time.

According to Gan, China will use more overseas capital, technology and other goods to supplement domestic resources while maintaining stable economic development.

Gan said China will continue to send state purchasing groups to the United States this year to buy advanced technology and other traditional American products, including automobiles, and added that the scale of the purchases will depend on U.S. prices and domestic needs.

The vice-minister said China welcomes overseas investment in the country's construction of railways, highways, airports, harbors, telecommunications and other infrastructural projects, which he described as a "bottleneck" in the country's economy.

Gan said China will give priority to the development of these bottleneck industries.

He said China's economy will continue to grow in a quick-paced but sustainable manner, and added that the economy is expected to increase by "eight percent or a bit more" annually.

According to the vice-minister, China's gross national product (GNP) will probably grow at an annual rate of eight or nine percent for the rest of the decade.

The official said China will accomplish ahead of schedule, or before the close of the century, the task of quadrupling the 1980 GNP.

China will give priority to development, adjustment and improvement of such areas as agriculture, water conservancy, basic industrial facilities and infrastructure. It will focus on communications, chemical, petrochemical and nonferrous projects, said the official.

Reform Aids Progress of Banking Industry

*OW2602114193 Beijing XINHUA in English
0834 GMT 26 Feb 93*

[Text] Shanghai, February 26 (XINHUA)—China's national economic reform and opening policies have created a good environment for the development of commercial banks, according to a high-ranking bank official.

The official said that the first batch of commercial banks to pioneer financial reforms include the Bank of Communications, the Citic Industrial Bank, China Merchants Commercial Bank, the Guangdong Development Bank, the Guanda Bank, the Fujian Xingye Bank, the Shenzhen Development Bank and the Pudong Development Bank.

These banks, national, regional or attached to enterprise groups, have a total capital of 170 billion yuan.

According to the official, the foregoing are commercial banks with Chinese characteristics: most combine public ownership with a share-holding system.

While implementing state banking principles and policies, these banks operate independently, assume sole responsibility for profits and losses, maintain a balance in capital and forge their own course of development. They also offer all-round services and have developed a wide scope of business.

One example is the Bank of Communications, which has set up 75 branches within the country and in Hong Kong and New York. The bank's savings deposits at the end of 1992 totalled 68.3 billion yuan, an increase of 11.4 billion yuan over the previous year. The bank granted 53.8 billion yuan in loans last year, up three billion yuan over the previous year, and obtained 2.9 billion yuan in profits.

According to a new state plan, the official noted, commercial banks, under the leadership of the central bank, will become the mainstay of China's banking industry.

Bank of China Adopts New Deposit Policies

OW2602113893 Beijing XINHUA in English
0942 GMT 26 Feb 93

[Text] Beijing, February 26 (XINHUA)—In a bid to attract more foreign currency, support economic growth and adapt to the diversified economic structure, the Bank of China (BOC) announced here today a package plan to readjust its deposit policies.

The new deposit policies, which take effect on March 1 of this year, will expand the scope of institutional depositors to include such new clients as domestic and foreign-funded enterprises in free trade zones, financial institutions licensed to handle foreign currency business and private enterprises.

For the convenience of depositors, the bank will provide fixed deposits in seven-day terms and one-month terms, in addition to three-month, half-year, one-year and two-year terms.

The bank will also improve services by opening "call deposits".

In cases involving large sums of money, the bank will negotiate with potential depositors to determine interest rates.

Deposit rules concerning individual savings accounts for foreigners, overseas Chinese and compatriots in Hong Kong, Macao and Taiwan, have also been revised.

For example, the initial amount required to open a new account has increased to 500 yuan worth in foreign currency for fixed deposits, and 100 yuan for current deposits.

A one-month term fixed deposit will be also available for these individuals.

As the country's specialized bank on foreign currency and trade, the Bank of China handles 11 types of foreign currency savings.

Last year, the bank issued large-sum deposit receipts on a trial basis in Guangdong, Jiangxi, Jiangsu and Shaanxi Provinces.

The bank's total deposits increased by 23.3 percent in 1992 over the previous year. Private savings in hard currency now stand at 6 billion U.S. dollars, or two thirds of the country's total.

Paper Calls For State-Run Foreign Trade Bank

HK2502065893 Beijing GUOJI SHANGBAO in Chinese
13 Feb 93 p 1

[Editorial: "State-Run Foreign Trade Banks Are a Pressing Need at the Moment"]

[Text] In the wake of the ongoing in-depth development of reform and opening up, it is now mandatory to establish as soon as possible state-run banks serving

foreign trade. This is not only a need arising from the accelerated development of foreign economic relations and trade, but also a need arising from our efforts to carry out reform of the financial structure in depth and to develop an export-oriented economy according to international common practice.

The idea of founding state-run banks serving foreign trade was raised years ago and has been discussed for a long time. Our country's foreign trade has been growing at an average annual rate of 15.1 percent since reform and opening up, emerging as one of the leading sectors of the national economy. In 1992, China's gross import-export volume reached \$165.63 billion, an increase of 22.1 percent over the previous year. Now China has overtaken the ROK, Spain, the former Soviet Union, and the province of Taiwan, and ranks 11th among other countries in terms of gross import-export volume. We are now heading for a new target, namely, to raise our gross import-export volume to \$200 billion or more by 1995. We cannot possibly fulfill this target if we rely on export of traditional light industrial products and textiles alone. Instead we must optimize our commodity mix and seize the opportunity to increase export of products of which a considerable portion of the production costs goes to technology, and which may bring high foreign exchange earnings and good economic results. China enjoys real advantages in the export of electromechanical products and complete sets of equipment, and in particular, we have a stronger ability than some new industrialized countries and areas to manufacture equipment in complete sets. Expansion of exports of electromechanical products is one of the essential keys to the further development of China's foreign trade, and also one of the factors that have a bearing on the country's economic development.

To be sure, China has managed to increase its export of electromechanical products substantially through many years of efforts by the manufacturing and foreign trade sectors. But in order to raise the export volume to a new level, we still have to solve a great drawback, namely, China lacks the strong support in terms of the credit policy and financial means. For example, the supply of seller's credit fails to meet the demand for it, and the interest rate is too high, while buyer's credit and the relating insurance business are just at the initial stage of development. As a result, many proposed transactions on complete sets of equipment and the export of whole machines which had been very likely to be achieved ended in failure.

One of the factors deciding whether the export volume of electromechanical products can increase and take the lion's share of the country's export volume by the later period of the Eighth Five-Year Plan—as expected by all circles—lies on strong support from the financial sector in terms of export credit extension. Given the fact that the existing specialized banks in China, which are subject to the limitations of enterprise operation, can hardly be transformed into an effective financial supporting system for the time being, establishing state-run foreign

trade banks running export credit business as prescribed by the relevant policy has now become a pressing task.

Establishing state-run banks serving foreign trade is very necessary for market diversification, too. Market diversification will bring about a more rationally structured export market for China. Proceeding from its own interests, a foreign trade enterprise would refrain from going into markets which involve high risk, such as some African and Latin American countries and areas which demand a longer payment period and involve high risk. However, these markets usually have great potential and offer much room for business expansion. Establishing an export credit insurance organization backed up by the financial setup and running export credit insurance business can increase safety of the enterprise in export trade, help the enterprise explore these markets, and ensure a sustained, steady increase in China's foreign trade volume.

Since international practice, GATT, and other organizations have imposed rigid restrictions on direct subsidies for exports, the United States, Japan, Germany, France, and some developing countries have all set up official or semiofficial foreign trade banks with a view to increasing the competitive power of their electromechanical products in the export market. These banks, run with funds directly appropriated by the government, are practicing preferential monetary policies, thus playing a positive role in enhancing the competitive power of their own exports. This practice fully conforms with the requirements set by the GATT and will not arouse antisubsidy and antidumping actions or other commercial disputes abroad. Many foreign countries' successful experience and measures have shown us that establishing foreign trade banks is an indispensable, essential means to develop an export-oriented economy.

Aviation Administration To Import More Fuel

*HK2502050093 Hong Kong MING PAO in Chinese
24 Feb 93 p 9*

[“Special Article” by Chu Ta (2612 6671): “China Will Import More Aircraft Fuel To Cope With Shortage”]

[Text] The Civil Aviation Administration of China [CAAC] suffered a series of air disasters last year. This year, it is facing a serious aircraft fuel shortage and has yet to extricate itself from the predicament. The fuel shortage has already adversely affected the development of CAAC, whose officials said that they will import a large quantity of fuel from abroad.

It was learned that along with the development of China's air transportation industry, the annual CAAC passenger transportation volume is expected to exceed 30 million travelers, while the annual CAAC cargo transportation volume will also increase by a large margin. This year, the CAAC fuel demand is expected to reach 2.3 million tons, representing a 40 percent increase over last year. However, the state is only able to increase fuel supply to CAAC by 10 tons. Therefore, CAAC will

be short 1.1 million tons of fuel, accounting for 48 percent of its fuel consumption this year. Bai Zhijian, general manager of the China Aviation Oil Company under CAAC, disclosed the other day that due to an insufficient fuel supply arranged by the state plan, CAAC is expected to increase its aircraft fuel import by a large margin, probably some 0.8 million tons this year, so as to cope with the fuel shortage. Even so, CAAC will still be short another 0.3 million tons of fuel, whose supply has yet to be confirmed.

A CAAC official pointed out: Last year, total CAAC fuel demand stood at 1.6 million tons, 70 percent of which had been arranged by the state plan. The actual situation was even worse as China lifted price control over oil products last September. As a result, fuel supply fell short of fuel demand and fuel prices skyrocketed. The aforementioned China Aviation Oil Company was even unable to obtain over 0.2 million tons of fuel it had ordered because the oil refineries concerned were unwilling to honor their contracts.

On the other hand, China once again increased crude oil exports last year. As a result, it cut planned fuel supply to CAAC by 0.2 million tons. Thus CAAC had difficulties in obtaining sufficient fuel. Thanks to China Aviation Oil Supply Company, which had made unreserved efforts to smooth out relevant relations, CAAC finally purchased a sufficient quantity of fuel.

It was learned that due to a rise in all costs, CAAC raised prices twice last year. The sources concerned noted that CAAC was expected to purchase more fuel at negotiated prices and import more fuel from abroad this year with the result that its costs will go up by a large margin. It is believed that CAAC will raise prices by a larger margin this year than last year.

Bai Zhijian, general manager of China Aviation Oil Company, pointed out that apart from importing a large quantity of fuel from abroad, his company will make investments totalling 3 billion yuan to build 10 large oil refineries and step up infrastructural facilities building within next five years.

Bai said that his company will make every possible endeavor to first guarantee supply to Beijing, Shanghai, Guangzhou, and other key flight routes.

In accordance with the CAAC Eighth Five-Year Plan, the CAAC fuel demand will have reached 3.3 million tons by 1995.

Increased Marine Resource Exploitation Urged

*HK2502030793 Beijing CHINA DAILY in English
25 Feb 93 p 4*

[Unattributed report: “Creating a Bigger Wave in Utilizing Marine Resources”]

[Text] Despite China's achievements in some areas of ocean technology, it still lags far behind developed nations in its exploitation of marine resources.

So it is crucial that China now develops advanced and new technology to exploit its maritime resources, particularly petroleum and natural gas which are vital for the country's economic expansion, says the Science and Technology Daily [KEJI RIBAO].

Deng Shoupeng, a researcher with the State Council's Development and Research Centre, says in the newspaper that it is also high time to determine the boundary of the country's continental shelf with strict, scientific measures to safeguard China's national interests.

With the gradual reduction of land resources, people have begun to turn to the ocean, which covers 71 percent of the Earth, he says. Marine exploitation is expected to have a far greater impact on the world's economic development.

Mineral deposits at the ocean bottom are extremely rich. The Pacific Ocean's reserves alone can provide the world with nickel for the next 20,000 years, supply cobalt for 340,000 years and yield copper for 1,000 years.

The world's offshore oil output is expected to reach 1.3 billion tons by the year 2000, about half of the world's total oil production in the same year.

From the 1980s, exploitation of the ocean has increased. The utilization of marine resources in 1990 totalled almost \$500 billion; by the end of this century, it is expected to top \$2,000 billion, when the marine industry will count for 16 percent of the world's economic output, compared with 5 percent now.

With 32,000 kilometres of coastline, China lays claim to 4.7 million square metres of ocean.

The country already relies much on its abundant marine resources for existence and development. Its current oil deposits in shallow continental shelves (less than 200 metres deep) total about 15-20 billion tons; undersea natural gas reserves amount to about 6,300 billion cubic metres.

Deng says many other countries are now making great efforts to develop their advanced marine technologies.

In marine environmental detection, for example, developed nations such as the United States and Japan have launched at least 10 satellites to research the ocean.

As a result, offshore platforms can be used for ocean exploration instead of ships. Advancements have also been achieved, thanks to satellites, in oil and gas exploitation, deep-water diving, underwater sound navigation and ranging, and marine farming.

Developing nations such as India, Brazil and Indonesia have also invested in marine exploitation, mainly to investigate oil and gas resources.

China itself has accomplished several offshore surveys and coastline investigations since 1958. It also cooperated in international marine environmental detection and has been an "investment pioneer country" in exploiting ore on the sea bottom.

In marine oil and gas exploitation, China has designed and manufactured 19 offshore platforms. Drilling has begun at eight oil and gas fields, with nine more planned.

However, the technology for deep-water oil and gas detection is only in its infancy.

And, although the country has a comparatively long history in the research of underwater sound navigation and ranging, the ability of its depth probes and the precision of its sonar are far below world standards.

China has made great achievements in remote deep-water diving and the research of marine organisms. Yet, here too, there is a large gap between it and global advancement in manned deep-water diving technology and the high-yield marine organism industry.

Deng attributes this to China's inadequate investment of capital and personnel in marine research and exploitation.

The total output of China's major marine industries is estimated to have been 24.5 billion yuan (\$4.3 billion) in 1989, only 1.5 percent of its gross national product (GNP) that year. The percentage is expected to climb to 5 percent at the end of the century. However, even then, it will only equal the world average of the early 1990s.

Deng points out that China is 15-20 years behind the developed nations in technological achievements and industrialization.

Two factors must be considered in the development of the country's marine high-technology. One is that the South China Sea, which is rich in resources, equals one third of the country's land area. So it is imperative to develop marine research and exploitation in that area.

The other important factor is that marine oil and gas are the country's main energy sources and reserves. Their exploitation has already played a crucial role in China's economic development, especially that of the southeastern coastal areas.

Deng suggests that China exerts its efforts in the hi-tech development of oil and gas exploitation, as well as in the protection of the marine environment and in the utilization of marine organism resources.

Market 'Replaces' State Monopoly in Grain System

OW2502132393 Beijing XINHUA in English
1234 GMT 25 Feb 93

[Text] Beijing, February 25 (XINHUA)—A transformation from state monopoly to market regulation is being conducted in China's grain allocation system.

The reforms have enabled the prices in grain sales and purchases float according to market demands.

At a national grain contracting conference opened here today, some 180 grain purchasing contracts were signed for transacting a total of 7.8 million tons of grain. The figure equals nearly 70 percent of the state's annual allocation total under the former planned system.

The contracted grain deals included 2.19 million tons of wheat, 1.76 million tons of rice, 3.54 million tons of corn, 270,000 tons of soybean and 185,000 tons of edible oil.

According to Bai Meiqing, vice minister of commerce, China will this year set up two grain regulation systems, at the central and provincial levels, respectively, under which the state will take charge of state-level grain reserve management and readjustments in grain imports and exports.

Bai said that grain allocation and management at the provincial level will be left to market regulation, which includes wholesale markets and direct trade between grain producers and buyers.

Grain reserves managed by the state will not be used unless there occur natural calamities that cannot be overcome by authorities at the provincial level.

Various government bodies, such as the state ministries of finance, commerce, and railways, have expressed support for the reforms.

Shi Xiyu, vice minister of railways, said that railway departments will do their best to ensure grain transportation in spite of the current strain on railways.

National Grain Conference Held in Zhongnanhai

Chen Junsheng on Grain Production

OW2602054093 Beijing XINHUA Domestic Service in Chinese 0839 GMT 23 Feb 93

[By reporter Ji Bin (1213 2430)]

[Text] Beijing, 23 Feb (XINHUA)—State Councillor Chen Junsheng emphasized: We must regulate the aggregate grain supply and demand through market demand to keep them in balance; earnestly protect and encourage the enthusiasm of peasants, major grain producing areas, and grain management departments with economic policies; and readjust relations between grain producing areas and marketing areas with economic means to gradually set up a rational mechanism for handling the interests of both grain producers and distributors, maintain a stable development of grain production, and progressively attain the reform goal of shifting agriculture into the framework of a socialist market economy.

A national meeting to publish the grain producing and marketing policy and to order grain was held by the State Council in Beijing beginning today. This is a significant

move by the State Council to further implement the guidelines of General Secretary Jiang Zemin's and Premier Li Peng's talks on strengthening agriculture. Activities in the meeting include: 1) Organizing marketing areas to directly place grain orders to grain producing areas, so that producing areas will know the quantity, strains, and quality of grain demanded by marketing areas before production. Contracts will also be signed with peasants so that they will know "as early as a year ago," and will actively arrange production to ensure the grain demanded by the state and marketing areas; 2) releasing a series of economic policies promoting the reform of the grain purchasing and marketing system, and the stable development of grain production to localities throughout the country to protect peasants' interests and encourage their production enthusiasm.

At today's opening ceremony, Chen Junsheng delivered a speech entitled: "Carry Out a Grain Producing and Marketing Policy, and Promote the Reform of the Grain System" on behalf of the State Council. He said: Publishing a grain producing and marketing policy, and organizing direct grain deals between grain producers and sellers are important measures to deepen rural reform and an innovation in the forms of guiding agricultural work. When peasants are provided with fairly accurate information and are informed of grain demands by the state and grain marketing areas—as well as of all kinds of prices and policies concerning grain—at the beginning of the year, it is not only meant to stress the importance of agriculture or to request that farmland not be diminished solely through administrative means, but is mainly to direct peasants to expand production, actively accept the state's macroeconomic objectives, and to work consciously. It is also a new step to push agricultural production toward the market in the course of transforming a planned economy into a socialist market economy, as well as an important measure to fundamentally solve the problem of production-marketing incoherence; to guide producing areas and peasants to readjust the structure of grain production; and to achieve a balance in aggregate grain supply and demand.

Chen Junsheng said: Generally speaking, the agricultural production situation is good. But many problems also exist. During a previous period, the CPC Central Committee and State Council focused their efforts on solving such problems as purchasing grain, paying back IOU's, and alleviating peasants' burdens (as a matter of fact, this problem is far from being solved). The above mentioned measures were extremely necessary and timely because they helped peasants solve, to some extent, the problem of having a hard time selling their grain, protecting their interests, bringing their initiative in grain production into full play, and improving relations between the party and the government on the one hand, and the broad masses of peasants on the other. However, seen from a long-term perspective, some deep-seated problems have not yet been solved, particularly the problems of protecting peasants' economic interests and

enthusiasm in growing grain and maintaining the aggregate balance of grain. Bumper harvests of agricultural products in past consecutive years has lead to the relative oversupply of some kinds of grain. It would be unfounded to come to an unrealistic conclusion that there is an oversupply of grain of all kinds. Facts prove that the short supply of some grains and difficulty in selling them harms producers and consumers alike. At present, the most important thing is to avoid dampening peasants' enthusiasm to grow grain and to prevent a great drop in grain production from occurring due to our slackened work and erroneous policy. In accordance with the principle of maintaining an aggregate balance and meeting market demands, the meeting is aimed at guiding grain production and the readjustment of the grain variety mix by peasants, and for them to develop products that have a ready market.

Chen Junsheng pointed out: At present, two outstanding problems need to be resolved correctly. First, in developing a socialist market economy in rural areas, it is still necessary for the government to strengthen macroeconomic control and guidance. The government should not relax its hold on agricultural problems and let them take their own course. While agriculture is entering the market economy, the government, instead of shoudering a lesser responsibility, should change its functions and leadership methods. Under the current situation in which more and more localities across the country practice the fluctuation of grain-purchasing and selling prices, many peasants—due to that fact that they are not familiar with the market situation—are at their wit's end and have a hard time feeling out market demands. It is imperative for us to pay attention to employing a correct policy and providing accurate information to guide the peasants in their production. This is a completely different approach from the old one which only relied on administrative means and orders to guide production. In addition to employing legal and necessary administrative means, the government should take a new leading approach, that is, a change from simple planning guidance to one mainly based on accurate market information and a correct policy, a change from pushing peasants to grow and harvest grain to one which emphasizes improving socialized services (including invigorating circulation), and a change from relying on administrative orders to one which conducts macroeconomic control by using economic levers. Another outstanding problem is this: It is imperative to correctly readjust the interest relations between production areas and consumption areas. It is an important reform of the national grain supply system to carry out the practice of placing a direct order for grain with production areas. Such a practice has four advantages: First, it is beneficial for the state to have overall control of supply and demand, thus achieving a national aggregate balance of grain. Second, in accordance with the demand in consumption areas, the production areas can organize production. In this way, the agricultural product mix and agricultural structure can easily be readjusted. The problem of grain salability will also be resolved properly. Thirdly, being

able to have their purchase contracts signed well in advance, the consumption areas can have grain resources and supply under control, thus having the initiative of stable grain supply in their hands and guaranteeing the balance of the supply and demand of grain in their own area. Fourth, it is helpful for peasants to arrange their production in light of market demands.

Chen Junsheng put forward the following eight economic policies aimed at pushing forward the reform of grain purchasing and selling as well as facilitating the development of grain production:

—Grain administration will be conducted at different levels by establishing a two-level control system—a system with the central as well as the provincial, autonomous regional, and municipal control levels. Starting this year, grain control will be partly switched from the central authorities to the provincial, autonomous regional, and municipal authorities. The State Council will be mainly responsible for the grain reserve at the central level and for the regulation of the import and export of grain to solve the problem of maintaining a national aggregate balance. All provinces, autonomous regions, and municipal cities should be responsible for the annual balance of grain in their own region. The interprovincial import and export of grain will be regulated by market forces rather than by the control of central planning. By adopting the practice of placing a direct order for grain with production areas or with the wholesale market, all provinces, autonomous regions, municipal cities can control their grain supply. In addition, all provinces, autonomous regions, and municipal cities should establish a particular grain reserve system to ensure balanced supply and demand of grain in their own region.

—Purchasing and selling contracts should be signed in advance. It is imperative to guide peasants to restructure a rational product mix, and correctly connect the production and the supply systems. At the present stage, it is necessary to adhere to the grain-purchasing contract system. We should guide the peasants to arrange their grain production by signing purchasing contracts with them and by providing them with market information and fine strains of grain seeds. Grain-importing areas should place orders with grain-exporting areas. The grain exporting areas should, in turn, sign economic contracts with peasants. In the future, all contracts should specify the amount of grain needed, the variety, and quality. Such contracts should be signed before production begins. In this way, we can ensure the production-supply connection and maintain the production-selling balance. We should continue to adhere to the system of paying deposits for the grain to be purchased.

—The system of protective grain purchasing prices should be established to maintain the stability of grain production. Because of the limitation of state financial power, the scope of the protective price can only be

set, at the present stage, within the limit of grain ordered or purchased by the state as reserve grain. Other grain products are still under the governing of market needs. The protective price set by the state is fundamentally based on the prevailing price for grain ordered. All provinces, autonomous regions, and municipal cities should set their local prices for grain ordered or purchased by the state as reserve grain, in light of the local grain market situation and the basic price assigned by the central authorities. Meanwhile, it is necessary to establish a grain risk protection mechanism. Such a system should be established first at the central and the provincial, autonomous regional, and municipal levels. Beginning this year, grain subsidies will be gradually reduced both in provinces where grain prices are controlled by market forces and in provinces where grain prices are still under state control. The grain subsidies thus saved will be used as a fund for regulating grain risks. Under no circumstances will this fund be used for something else or for balancing the budget.

—Beginning this year, the differences between the market prices for chemical fertilizers and diesel oil, and the fixed prices for chemical fertilizers and diesel oil specially supplied to contracted grain growers will be converted into cash and used as an added price to the price for grain ordered; as will the differences between the market prices for chemical fertilizers and the fixed prices for chemical fertilizers specially supplied to contracted cotton growers. Such interest will be directly given to peasants. We should carry out this policy to the letter. The authorities in some localities say that they are unable to provide such funds because of their financial difficulties. The key to this problem lies in whether or not they are determined to do so. It is better for them to cancel some development zones and infrastructural projects if they cannot provide such funds. This is a policy which shall be carried out at all costs. In terms of protecting peasants' interests and agricultural development, no wavering should be allowed.

Even after we have adopted the above mentioned method, the former plan for supplying "fixed-price" chemical fertilizers and diesel oil should be strictly implemented to guarantee their normal supply in provinces and autonomous regions where the supply of chemical fertilizers and diesel oil are insufficient. Efforts should be made to ensure that peasants, who have received the price-difference cash, can buy the corresponding amount of chemical fertilizers and diesel oil. The practices not included in the "fixed-price" policy—for example, providing various parity-price and incentive-price means of production to peasants and taking measures to support agricultural development—should be maintained. They should not be canceled just because we have adopted the improved cash-in method. The "fixed-price" chemical fertilizers and diesel oil in arrears should be given to the peasants. We should give them the exact amount we owe them. We shall never fail to fulfill our obligation just because we adopt a new method.

—We should strengthen the management of the price of agricultural production means, set the maximum price on chemical fertilizers, pesticides, farm-use plastic film, and farm-use diesel outside the plan to prevent agricultural production from being hampered by rapidly rising prices. The limit for the maximum price should be decided according to the principle of allowing industrial enterprises to recover costs and retain small profits. Meanwhile, we should make efforts to streamline operational links and reduce circulation costs. We should not allow people to drive up selling prices at each level. Local authorities should strengthen management of the market of agricultural production means, comprehensively straighten out the circulation order of agricultural production means, forbid indiscriminate price hikes, and strictly crack down on such activities as selling fake and shoddy products at the expense of peasants.

—We should work hard to increase investment in agriculture and vigorously support economic development in major grain-producing areas. The state will offer favorable terms in funding and other matters to major grain-producing counties which provide more marketable grain and have bigger responsibility in transferring their grain to other areas.

—We should reasonably reduce the tax rates for special local farm and forest products, and promote the overall and balanced development of an agriculture that offers high yield, good quality, and high efficiency. The revenues collected from taxes on special local farm and forest products should absolutely be used in supporting and developing agricultural and forest production.

—We should conduct an in-depth reform of the grain circulation structure and gradually achieve the goal of separating operation of grain as a business from management of special grain reserves. We should further improve the special grain reserve system and speed up the construction of state-owned grain storehouses according to the principle of unified planning and rational distribution. We should have a grain reserve system with a reasonable amount of grain, regularized management, safe storage, flexible transfer, and correct ways of handling.

Chen Junsheng also forwarded demands on earnestly organizing the work of ordering grain and fulfilling contracts.

Responsible people from the governments of various provinces, municipalities, autonomous regions, and cities with provincial-level economic decisionmaking authority, as well as grain and agriculture departments attended the meeting. Responsible persons from relevant departments of the State Council also attended.

Li Peng Addresses Conference

OW2602043093 Beijing XINHUA Domestic Service in Chinese 1059 GMT 25 Feb 93

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter He Ping (0149 1627); "Li Peng Stresses Need To Implement Policy Supporting Grain Production and Marketing"]

[Text] Beijing, 25 Feb (XINHUA)—Speaking at a forum this afternoon with delegates attending a national conference for announcing the grain producing and marketing policy and for ordering grain, Premier Li Peng stressed: Both the central and local authorities should be resolved to implement each of the policy measures designed to support grain production and marketing announced at this conference. Each should bear its share in dispensing the money needed; the peasants should not be let down, no matter how serious our financial difficulty is.

The forum was held at the Zhongnanhai. State Councillor Chen Junsheng presided over the conference.

Bai Meiqing, vice minister of commerce, and Liu Jiang, vice chairman of the State Planning Commission, gave a briefing on the national conference and discussions on the grain policy to the delegates.

Wang Guofa, vice governor of Jilin; Zhuang Xiaotian, vice mayor of Shanghai; and Li Chengyu, vice governor of Henan, spoke at the forum. Each gave a briefing on what their province or municipality had learned in the course of implementing the series of central rural policies and the relevant measures they planned to take to further improve the work.

After hearing the briefings, Li Peng said: The conference has proceeded quite well. It has taken a new step forward in deepening rural reform, primarily in the following areas:

1. It changes the way interprovincial transfer of grain is carried out, from one regulated by state plan gradually to one through direct negotiations and contract between grain producing and procuring regions to ensure the demands are met. This is an important reform measure related to grain in our transition from a planned economy to a socialist market economy.

2. It is another renovation in the way leadership is exercised over agriculture. At the beginning of each year, grain producing regions and peasants will be notified of the quantities, varieties, and qualities of grain needed by the state and grain procuring regions along with the relevant policies. Sales contracts will then be signed. Our leadership over agriculture will change from one of using only administrative means to one of using economic information, policies, and measures. This does not mean that we wash our hands of the entire business; it means doing things according to the laws of economics. This may well be a major step forward in the new historical conditions.

3. It is a fundamental measure to prevent the decline of grain production and to ensure its steady growth. Thanks to this conference, grain producing regions and peasants will have access to information on market demands and greater faith in successfully carrying out grain production. On this basis, sales contracts can be signed to guide the peasants in restructuring their crop mix.

Li Peng called for setting up two grain regulation systems, at the central and provincial levels, respectively. He said: After lifting the control over grain, strengthening the state's regulatory capacity and ensuring grain security will be a major issue. China is a large country with a huge population and very different conditions. Regulation at the central level alone is not enough; regulation is also needed at the provincial, regional, and municipal levels. This is a matter of major importance vital to the national economy, the people's livelihood, and social stability.

Li Peng stressed that the system of procuring grain by contract should still be continued at the present stage. He said: This system is an important means to stabilizing the market, ensuring supply, and protecting agricultural production and the peasants' interests. To adhere to the grain procurement contract system, we must earnestly implement three preferential policies: first, make a down payment upon the signing of procurement contracts; second, return to the peasants the difference between the market prices of chemical fertilizers and diesel and the fixed prices offered to contracted grain growers as an added price paid for grain purchased; and third, ensuring the procurement of grain produced.

Li Peng said: We must set up a regulatory risk-taking fund for grain. This is a supporting measure for the implementation of the grain protective price system. Without this fund, there will be no protective price. We should make a start this year and try to make improvement later on. The grain risk-taking regulatory fund will also be set up at the central and provincial levels, in the same way the grain regulatory system is established at the central and provincial (regional and municipal) levels. In addition, farm insurance may also be started so that peasants may be compensated to some extent for their losses by the insurance company.

Li Peng pointed out: All departments concerned should actively coordinate with each other to ensure the fulfillment of the grain procurement contracts. Banking departments should guarantee the availability of loans needed by the grain procuring regions to honor the procurement contracts. Railway and other transportation departments must also ensure the shipment of contracted grain according to schedule. The ranks of the grain departments should be stable and should try to perform their duties well.

Li Peng concluded: This conference is very successful. After the conference, we must pay close attention to

implementation and guide this year's agricultural production accordingly. He stressed: Agriculture is the foundation of the national economy, and grain is the base of this foundation. These are old sayings, yet they have profound truth in them. We must never forget or abandon them. Governments at all levels should truly regard agriculture as a matter of paramount importance and promote it accordingly.

Vice Premier Zhu Rongji also spoke at the forum.

Zou Jiahua, Wen Jiabao, Luo Gan, and other leading comrades attended to forum.

The national conference for announcing the grain producing and marketing policy and for ordering grain ended today.

Development of Township, Village Enterprises

OW2602050793 Beijing XINHUA in English
0124 GMT 26 Feb 93

[Text] Beijing, February 26 (XINHUA)—China presently boasts more than 19 million township and village enterprises, whose industrial output value accounts for one-third of the country's total.

In some provinces, their industrial output value even makes up one half of the total.

State statistics indicate that last year rural enterprises had an output value of 1,650 billion yuan [about 289 billion U.S. dollars]. The figure is expected to reach 2,000 billion this year.

Starting from the coastal areas, rural industry became a new force in China's economy in the early 1980s. At present, all provinces and autonomous regions in China have township enterprises, which are engaged in production of food, clothes, textiles, machinery, chemicals and hardware. Many of the products involve new and high technology.

In the suburban areas of Shanghai, China's largest industrial base, more than 15,000 township enterprises are in operation.

According to local government statistics, in 1992 per capita income of residents of Shanghai's suburbs reached 2,226 yuan, half of which came from township enterprises.

In Fujian, a coastal province in southeast China, the total output value of township enterprises reached 50.7 billion yuan last year, and accounted for one half of the province's industrial and agricultural output value.

Last year township enterprises in China paid more than 50 billion yuan in taxes to the state treasury. Their exports earned 20 billion U.S. dollars in foreign currency, nearly one-third of the country's total.

Township enterprises also created more jobs for rural residents. Last year, they employed over 300 million workers, a marked increase over 1989, when they employed merely 93 million.

Township and village enterprises also contributed billions of yuan to the development of farming. They have brought to peasants telephones, television sets, new houses and even cars. Last year, these enterprises paid their workers 150 billion yuan in wages.

East Region

Anhui Secretary Addresses Propaganda Forum

OW2502190593 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 23 Feb 93

[From the "Provincial Hookup" program]

[Text] Speaking at a provincial forum on external propaganda of directors of propaganda departments on the afternoon of 22 February, Lu Rongjing, secretary of the provincial party committee; Yang Yongliang, deputy secretary of the provincial party committee; and Hou Yong, vice chairman of the provincial discipline inspection commission and head of the provincial party committee's leading group for external propaganda, said emphatically: As we deepen reform and open wider to the outside world, we should pay greater attention to propaganda and ideological work and strengthen external propaganda.

During his speech, Lu Rongjing said: We are at a new turning point in history. This era has charged the propaganda and ideological front with a new important mission and task. To tailor our work to the situation, comrades on the propaganda and ideological front should strive to accomplish the following:

First, they should thoroughly understand the basic guiding thoughts and tasks for the propaganda and ideological front. This means they should arm the entire party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and with the 14th national party congress guidelines. We should carry out our work and resolve various problems in strict accordance with this basic guiding thought and task. Second, the propaganda and ideological front should always bear in mind our province's fundamental goal of wholeheartedly serving the peasants and should always consider the interests of the party and the people. We should recognize the fact that income distribution in society is still inequitable. In this situation, CPC members should heighten their party spirit, public-mindedness, and sense of discipline. They should foster a correct outlook on life as well as correct values. They should carry forward the party's fine tradition and adopt a correct approach toward relevant issues.

Third, we should use the criterion of practice to judge and improve our propaganda and ideological work. In the new situation, we should make our propaganda work farsighted, specific, relevant, and interesting. Through joint efforts, we should provide an ideological guarantee for Anhui's reform, opening up, and economic construction; offer active support and a moral impetus to these efforts; and foster favorable public opinion and a sound social atmosphere. Fourth, party committees at all levels should give top priority to bolstering the propaganda and ideological ranks. Through efforts undertaken by the propaganda and ideological ranks, they should convert

the party's theory, line, principles, and policies into practical actions on the part of the vast ranks of cadres and people.

In his speech, Yang Yongliang said: Last year, the province's propaganda and ideological front earnestly implemented Comrade Xiaoping's important talks during his southern tour, as well as the guidelines of the 14th national party congress and the eighth enlarged plenary session of the fifth provincial party committee. It performed a great deal of work toward accelerating our province's reform, opening up, and economic construction. The provincial party committee is satisfied with this work. We should seriously study and thoroughly understand the guidelines of the important speeches delivered by Jiang Zemin and other central leading comrades at the national forum of directors of propaganda departments. We should endeavor to raise our province's propaganda and ideological work to a new level.

First, we should give top priority to publicizing and implementing Deng Xiaoping's theory on building socialism with Chinese characteristics. Leading cadres at all levels should take the lead in studying and applying this theory, turning it into a potent weapon that will guide us toward improving and strengthening propaganda and ideological work, and with which we accomplish new historic tasks. Second, we should continue to search for new ways to adapt propaganda and ideological work toward the socialist market economy, as well as to promote the rapid development of the provincial economy.

As our guiding thought, we should take the initiative in adopting a market orientation, determine our direction, and improve our services. We should focus on issues of great concern to the public, as well as new circumstances and problems that we encounter during our efforts to build material and spiritual civilization. We should help people solve problems and dispel their misgivings. In terms of the substance of propaganda, we should give more prominence to the main theme of reform, opening up, and economic construction. Third, we should discuss and handle major issues, seek practical results, and direct our main energies toward studying and resolving problems regarding the strategies, principles, and theories of propaganda and ideological work.

Fourth, we should improve ourselves in earnest. Specifically, we should strive to learn socialist market economic theory, raise our political awareness, and improve our professional skills. Fifth, party committees at all levels must stress propaganda and ideological work, earnestly strengthen the leadership bodies of propaganda departments, help these departments solve practical problems, and fully inspire their enthusiasm.

Both Lu Rongjing and Yang Yongliang offered important directives on strengthening external propaganda. Hou Yong delivered a special speech in this regard. In their speeches, they stressed: External propaganda has

always been an important strategic task of the party and the state; it is an important part of our country's overall foreign policy, a public opinion tool that paves the way for opening wider to the outside world, and a bridge that enhances mutual understanding between China and Anhui on the one hand and the rest of the world on the other. Given Anhui's belated opening to the outside world, it is all the more important to strengthen external propaganda. Party committees and governments at all levels should include this task in their agenda of important affairs.

In his speech, Hou Yong said emphatically: Our province's overseas influence is still very limited. We should have a keen sense of urgency regarding the effort to strengthen external propaganda. First, party and government leaders at all levels, external departments and units, and comrades engaged in external propaganda work should improve their understanding, renew their concepts, cultivate public awareness about external propaganda, abandon the inward-looking seclusive mind, discard old propaganda and economic concepts formed under the planned economic system, and cherish new concepts that are appropriate to the development of a market economy.

To renew our concepts, we must diligently study the guidelines of the 14th National Party Congress, Deng Xiaoping's theory on building socialism with Chinese characteristics, and market economic theory. We should also acquire knowledge about reform and opening up and learn about foreign policy. We should further enrich and reinforce external propaganda organs, obtain needed funds, improve propaganda means, and raise the quality of the external propaganda force.

Markets for Means of Production Boom in Zhejiang

OW2602050393 Beijing XINHUA in English 0121 GMT 26 Feb 93

[Text] Hangzhou, February 26 (XINHUA)—East China's Zhejiang Province is constructing and improving many markets trading in means of production in order to meet the demand of the expanding local economy.

A large number of markets involving supplies for agricultural production, construction materials, plastics, iron and steel and automobile parts are being built or upgraded in Hangzhou and other major cities including Ningbo, Wenzhou, Shaoxing, Jiaxing and Jinhua.

Due to a lack of natural resources, the province's processing industry accounts for some 90 percent of all its industrial businesses and it relies mainly on raw materials shipped in from neighboring provinces. Over 90,000 rural enterprises and household factories get their raw materials from the markets rather than through allocations from state planning.

Officials say that insufficient supply of raw materials has become a major factor hindering economic growth. The problem is expected to become more serious with the expansion of the market economy.

"We aim to create a better environment for Zhejiang enterprises so that the economy in this province will grow faster," said Jin Lianqing, director of the Zhejiang Provincial Administration for Industry and Commerce.

As early as 1991, the province started to construct markets to draw more raw materials into the province. About 280 material markets have been established with an annual trade volume of 7.5 billion yuan (about 1.31 billion U.S. dollars).

Central-South Region

Guangdong Security Cracks 'Very Big' Drug Case

HK2602095693 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 25 Feb 93

[Text] The provincial public security department held a news briefing this morning to announce that the province's public security organs cracked a very big ice [metamphetamine hydrochloride] manufacturing and sales case. Last 19 May, under the unified organization and command of the provincial public security department and after nearly five months of painstaking and careful investigation, public security departments of the province's Jiangmen, Qingyuan, Guangzhou, Shenzhen, Dongguan cities cracked a very big ice making and sales case in one operation. They combed, confiscated, and destroyed two secret ice-processing spots in Jiangmen's Pingyuan city, set up by drug dealers from outside the borders including Hong Kong's Li Qiuping, and seized over 100 kg of ice and 54 kg [words indistinct] semifinished products, and arrested 37 criminals from at home and outside the borders.

In light of clues supplied by Guangdong, Fujian's public security departments destroyed another of Li Qiuping's secret ice-processing spot in Fujian's Changde county. Moreover, acting according to clues supplied by Guangdong's public security departments, Hong Kong police also arrested a number of Hong Kong residents involved in this case. In this way, this ice manufacturing and sales syndicate headed by drug dealers outside the borders has been thoroughly destroyed.

The State Public Security Ministry has decided to award the Collective Merit Citation Class One to the special task teams of the public security bureaus of Jiangmen and Qingyuan cities and award them 10,000 yuan each. Moreover, the provincial public security department has also awarded them 10,000 yuan each.

Guangdong To Expand, Upgrade Port System

HK2502013593 Beijing ZHONGGUO XINWEN SHE
in English 1342 GMT 23 Feb 93

[Text] Guangzhou, February 24 (CNS)—The Director of the Guangdong Provincial Office of Ports and Harbours, Mr Hu Chaoyi, speaking in an interview with the Hong Kong China News Agency, said that Guangdong Province will set up a batch of new ports and upgrade existing ones in order to increase the province's handling capacity.

Mr Hu said that the province's state-level ports account for 25 percent of the country's total with travellers passing through them last year totalling 67.5 million, 24 percent up over the year before, 86 million tonnes of goods handled, 21 percent up over 1991, and the passage of more than 7 million vehicles, comparatively more than in previous years.

Mr Hu said that in upgrading existing ports, the provincial authorities will pay greater attention to vehicular congestion at Wenzidu Port in Shenzhen.

Apart from the construction of more large-sized ports, a batch of medium-sized ones are planned for the province. Urgent projects are eight big ports including one at Humen and one at Anmen, construction of this latter port commencing in the second half of this year.

Hainan Secretary Speech at Congress Meeting

HK2502023093 Haikou HAINAN RIBAO in Chinese 5 Feb 93 pp 1, 3

[Speech delivered by Hainan Provincial CPC Committee Secretary and Governor Ruan Chongwu at the closing ceremony of the First Session of the First Hainan Provincial People's Congress Conference in Haikou on 4 February]

[Text] Comrades:

The First Session of the First Hainan Provincial People's Congress Conference has scored great success through our common efforts. The current conference has adopted the government work report, summarized the five-year accomplishments and experiences in building the Hainan Special Economic Zone [SEZ], and made explicit the chief goals, principles, and tasks for work province-wide this year and for some time to come. The current conference has also deliberated the work report of the provincial people's congress standing committee and several reports on special topics. It has smoothly conducted the election of a new tenure of leading bodies of the provincial people's congress and the provincial government as well as the provincial deputies to the Eighth National People's Congress. In addition, it has elected the provincial higher people's court president and the provincial people's procurator. The current conference has been one of implementing in depth the spirit of the 14th party congress and the eighth (Enlarged) plenary session of the first provincial party committee,

mobilizing the solidarity and cooperation of the broad cadres and masses province-wide to seize the favorable opportunity to accelerate reform, opening up, and construction. The implementation of the current conference's spirit is of very important significance to pushing the building of the Hainan SEZ to another plane and seizing still greater victories in reform, opening up, and modernization. Comrades participating in the current session have given full play to democracy and unfolded in-depth discussions, while sharing the unanimous understanding that the current conference's summarization on Hainan's five-year accomplishments and experiences in building the province and running the SEZ is seeking truth; that the slogan "Learn From and Catch Up With Guangdong" and the new goal for struggle set forth are inspiring; and that the major tasks for work and measures decided from now on are specific and powerful. The representatives have earnestly done business according to legal procedures, and arrived at a common understanding through ample deliberations and consultations, and are full of confidence and hope for the new leading bodies. Comrades participating in the conference have made many valuable suggestions on further doing a good job of selecting, promoting, and employing cadres; augmenting solidarity; improving work efficiency of government organizations; attaching importance to work in rural, mountainous, old revolutionary, and minority nationalities areas; and doing a good job of reform and opening up and various undertakings in the SEZ construction. Their suggestions have played a very good role in promoting us to improve our work and elevating our work level. The current conference has genuinely been one of solidarity, democracy, and going all out to win victory.

It Is Imperative To Prize and Develop the Fine Situation, and Work Hard To Maintain Hainan's Stability and Development

To accelerate the pace in Hainan's reform, opening up and construction are the common aspirations of Hainan's some 6.7 million people of various nationalities. We must prize the fine situation of Hainan's development, and work hard to create a stable social climate so that people of the whole province will focus their energy on greatly pushing forward reform, opening up, and economic construction by seizing the favorable opportunity today. Hainan is China's largest special economic zone, and its stability has a bearing on whether or not Hainan's reform, opening up, and economic development will be smoothly conducted. Stability is the prerequisite for development, whereas the aim to do a good job of stability is to promote accelerated development.

To realize Hainan's stability and development, it is imperative to implement the 14th party congress spirit, to arm the thinking of the broad cadres and masses with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and to firmly implement the Party's basic line of "one center, two basic points." This is the ideological basis and fundamental insurance

for maintaining Hainan's stability and development. In the five years since Hainan became a province and built the SEZ, the provincial party committee and government have done lots of effective work in leading the broad cadres and masses to earnestly implement the party's basic line, and promoted the continuous acceleration of Hainan's exploitation and construction; its economic development has arrived at the average level in China, with the first-step goal for development realized; its building of infrastructure has been augmented with the investment atmosphere greatly improved; it enjoys a sound momentum in reform, opening and construction; and the building of spiritual civilization and party building have been strengthened. The eighth (enlarged) session of the first provincial party committee and the current First Session of the First Hainan People's Congress have systematically summarized the accomplishments and valuable experiences of Hainan's economic construction and building of spiritual civilization. From now on, it is necessary to continue to adhere to these successful experiences and effective practices while continuously completing, perfecting and developing them in practice.

The five-year accomplishments and experiences of Hainan building the province and running the SEZ show that the party basic line and various policies the central authorities have allowed Hainan are very correct. Our new leading body will remain unchanged in implementing the line, principles, and policies of the Central Committee and the State Council, and it will not alter the determination to accelerate Hainan's reform, opening up and modernization as well as various basic policies of the Hainan SEZ. From now on, the provincial party committee and government should continue to resolutely implement the party's basic line and take economic construction as the center; guide the people province-wide to overcome all sorts of difficulties; quicken the pace in the SEZ building, and work hard to realize the goal for striving set by the First Hainan Provincial People's Congress; continue to adhere to the principle of promoting economic construction with reform and opening up, and accelerating to build, complete, and perfect the socialist economic structure so that Hainan's economic construction may be full of vitality and vigor; attract funds, technologies and qualified people voluminously at home and overseas through expanding opening up to exploit Hainan's abundant natural resources, while pushing Hainan toward the world market; work hard to become bolder in both reform and opening up at a quicker pace; and continue to adhere to the principle of "grasping the building of material and spiritual civilizations simultaneously, without neglecting either aspect," while doing a good job of building the SEZ's socialist spiritual civilization, punishing corruption, and accelerating partial organizational building at all levels to insure the healthy development in building the Hainan SEZ.

Unite and Cooperate, Give Full Play to Initiatives of All Aspects To Do a Good Job of SEZ Building

Hainan abounds in natural resources and an advantageous climate and geological conditions. In addition, the preferential policies which the central authorities allow the SEZ and the sound foundation laid down since Hainan became a province contribute to a "favorable climatic and geographical factors" in the fine situation for Hainan's development. However, there is a need to further emphasize "harmonious human relations." Our understandings will thrive and prosper if we genuinely accomplish logical administration and harmonious human relations, which are the crucial condition for accelerating reform, opening up, and building of the Hainan SEZ. Hainan's people are honest, simple, and hard-working; it is necessary to give full play to the intelligence and wisdom of the province's broad cadres and masses, while stimulating their enthusiasm for doing a good job of the SEZ's building and creating a sound atmosphere of solidarity and cooperation. Reviewing Hainan's history of several thousands of years, its history since the PRC's founding, and the five-year history since Hainan became a province, we found that Hainan's people hail from all parts of the country; we must value the solidarity of people of all nationalities, of cadres at all levels and the masses, and of the Army and the people. Unity is strength, and yields a rallying force, combat effectiveness, and new productive force. A very important experience for Hainan's people to have adhered to the red banner for 23 years during the years of revolutionary war was none other than cooperation in solidarity—they were all united in one purpose. Today, we should further inherit and give play to this glorious revolutionary tradition of our revolutionary forerunners, and unite forces from all sides to organize into mighty contingents to build the Hainan SEZ in concerted efforts to create a beautiful future for Hainan!

The new leading bodies of the provincial conference of the people's congress and the provincial government have been elected according to the law at the current provincial conference of the people's congress. Party committees and governments at various levels and the broad cadres and masses should actively support the work of the new leading bodies and safeguard their prestige in accordance with the central requirement in the spirit of having the cardinal principles in mind and taking the overall situation into account, attaching importance to solidarity, and observing discipline. Election of a new tenure of leading bodies at provincial, city, country, township and town levels will be conducted this year, and there will be changes in the members of leading bodies at various levels. That is a normal phenomenon in the election of a new tenure of leading bodies; we hope that everyone will observe the organizational discipline, and subject to the party organizational arrangements. We should organize electoral work painstakingly under the party leadership, with democracy given full play, and business done in accordance with legal procedures, so that the election of a new tenure of leading bodies will be helpful to safeguarding and promoting Hainan's stability

and development. Members of leading bodies at various levels province-wide should shape a sound atmosphere characterized by mutual support, trust and understanding; unfolding active criticism and self-criticism and consciousness in safeguarding solidarity, while building leading bodies at various levels into a staunch core of leadership.

To do a good job of solidarity and cooperation, it is imperative to maintain the stability and unity of the cadres contingent provincewide. Whether in the years of revolutionary war or in socialist modernization today, as soon as the party line, principles, and policies are set, cadres are the decisive factor. In the course of Hainan's exploitation and construction, all cadres, whether they hail from Hainan or from other parts of China, have made due contributions to building Hainan. Especially in recent years, Hainan's broad cadres have been tempered and tested by SEZ building, with their experiences accumulated and talents improved. Practice has shown that the overwhelming majority of Hainan's cadres boast a comparatively strong sense of reform and opening up; they have worked cautiously and conscientiously, observed discipline, and are competent of their own jobs; they are trustworthy, and their employment will put the leadership at ease. With the development of the SEZ undertakings from now on, we should attach importance to the study, training, selection and employment of the contingents of cadres, especially entrepreneurs, scientists, and technicians and qualified people for managing the enterprise's economy—for whom the construction of SEZ's has a pressing need. Our cadres hail from all parts of China, and each has his own merits; we should see more of others' strong points, learn from each other to make up each other's deficiencies, go all out in cooperation, and work hard for a common goal in unanimous solidarity.

To do a good job of solidarity and cooperation, it is imperative to give play to the enthusiasm of all sides to shape a strong rallying force to promote the SEZ building. Hainan is an old revolutionary area, and boasts a glorious revolutionary tradition; many old comrades have made outstanding contributions in revolutionary wars and various stages of socialist construction. We must attach importance to work in the old revolutionary area and accelerate construction there, show concern and respect for old comrades, learn from them modestly, and give full play to their important role. Hainan is a place where many nationalities live together; it is imperative to earnestly implement the nationality policy, develop minority nationality economy, and augment nationality solidarity. Hainan abounds in returned Overseas Chinese; it is imperative to earnestly implement the policy for Overseas Chinese affairs, stimulate the enthusiasm of the broad returned Overseas Chinese as well as Hong Kong and Macao compatriots in their love for the motherland and their home villages, so that they will make contributions to Hainan's development and construction. Hainan is at the forefront of defense; it is imperative to extensively unfold work in supporting the

Army and giving preferential treatment to families of revolutionary army men and martyrs, and supporting the government and cherishing the people, do a good job of Army-government, Army-people solidarity, and give play to the role of the broad officers and men stationed in Hainan in SEZ building. It is necessary for us to do a good job of the unity between the Party, the government, the Army, and the people through meticulous work; and give play to the positive factors of all sides and accelerate reform, opening up, and modernization in the Hainan SEZ.

Give Prominence to Work Foci, Grasp Work in Real Earnest, Do Substantial Work, Create a New Situation in SEZ Building

Guided by the 14th party congress spirit, on the basis of summarizing past accomplishments and experiences, the Eighth (Enlarged) Plenary Session of the First Hainan Provincial Party Committee and the current First Hainan Provincial People's Congress session have set out the goal for striving from now on. The people provincewide are required to "learn from and catch up with Guangdong," accelerate the pace of reform, opening up, and construction in Hainan, work hard to fulfill the various tasks for developing the national economy in 1993, achieve the comparatively well-off level through five-year efforts to realize the quadrupling of the gross output value by the year 2000, and basically realize modernization through efforts of another 10 years. These two sessions have also decided a series of important work methods and tasks, which have embodied the 14th party congress spirit and complied to Hainan's realities. Leadership at all levels should earnestly implement the spirit of these two sessions, grasp work in real earnest, and do substantial work, while firmly grasping implementation.

The contents of these two sessions are very rich, and their implementation involves voluminous work. It is necessary for us to proceed from the actual conditions, give prominence to work foci, grasp the major contradiction to push forward the whole situation; particular attention should be paid to grasping some key projects that have a bearing on reform, opening up, and the whole situation of economic construction, with the pooling of man, money and material resources to accelerate construction. The building of Yangpu Economic Development Zone is an important indication by the province as well as by China of expanding opening up to the world, and it has a bearing on bringing along Hainan's opening up and development. It is necessary to take accelerating the building of the Yangpu Economic Development Zone as our work focus, and grasp it well in our all-out efforts. In the course of building the development zone, we should pay attention to the coordination of various relations and all specific work, while doing a good job of inviting investment in Hainan, and striving for great progress in the building of various economic development zones this year. Efforts should be focused on grasping well the building of Haikou's Jingpan Bonded Zone. With the support of Haikou, this bonded zone

enjoys a satisfactory geographical conditions, with comparatively complete and perfect whole-ranging infrastructure. Accelerating the building of the Haikou bonded zone is of important significance for Hainan to augment its attraction to foreign businessmen. We should refer to the fine experiences of our fraternal provinces and cities, as well as other countries, in building bonded zones; accelerate the construction rate; insure its timely separation from other areas [feng guan 1409 7070] to actively invite foreign investment; and run the bonded zone well according to usual international practice. It is necessary to have a stronger sense of pressure in quickening the pace in developing and building Sanya Longwan into a tourist holiday resort of an advanced level based on world standards, high rates, and good quality. In addition, the province's key construction projects such as power, communications and transportation, telecommunications, and water supply should be organized with meticulous care with their implementation firmly grasped. Of course, the province's work foci are not confined to the aforesaid few—agriculture, industry, science and technology, education, and infrastructure as well as social undertakings are all key works and projects that have a bearing on the whole situation. We should focus our efforts on grasping them firmly and well, and accelerate the pace in construction.

Comrades, the successful convocation of the First Session of the Hainan Provincial People's Congress has given us a clearer picture of our goal for striving, and made our comrades' thinking all the more emancipated, our understanding all the more unified, and our spirit still more braced up. I believe, in the wake of our current session, our province's broad cadres and masses, under the guidance of the 14th party congress spirit, will earnestly implement the spirit of the eighth (enlarged) plenary session of the provincial first party committee and the current session of the provincial people's congress; they will certainly shape a fine atmosphere of uniting in cooperation, working hard, and blazing a new trail to make progress; develop the fine situation and maintain Hainan's stability and accelerated development; promote Hainan's reform, opening up, and construction to a new plane; and realize the new targets for striving determined by the current conference!

Foreign Capital Sought for Hainan Resources

HK2502012693 Beijing ZHONGGUO XINWEN SHE
in English 1342 GMT 23 Feb 93

[Text] Haikou, February 24 (CNS)—The Minister of Geology and Mineral Resources, Mr Zhu Xun, recently put forward a proposal regarding the bringing in of overseas capital and advanced technology to jointly prospect for and exploit oil and natural gas resources in the South China Sea and mineral resources both on land and at sea.

It is known that Hainan Province is rich in mineral resources with 86 different kinds discovered and 67

proven for industrial use. Reserves of 13 kinds of mineral resources of high economic value include natural gas, quartz sand and ilmenite, all ranking Hainan first in the country in terms of deposits. Some 200 oil-and natural gas-bearing structures have been discovered in the waters of the South China Sea.

Hainan has to raise funds in accordance with the socialist market economy mechanism or employ joint-prospecting and exploitation in a bid to accelerate research and opening up of mineral resources. Public bidding should be made available to large overseas oil and gas prospecting and exploitation companies for the setting up of joint-ventured risk-taking prospecting following international practice.

Mr Zhu, meanwhile, encouraged entities responsible for prospecting to send personnel abroad to explore ways to help Hainan in its urgent need to develop its mineral resources.

Hubei Holds Meeting on Politics, Law

HK2502092593 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 17 Feb 93

[Text] A provincial meeting on politics and law held in Wuchang this afternoon pointed out: The task of our province's politics and law work this year is that we must strengthen and reform our politics and law work, consolidate the function of the people's democratic dictatorship, and deal resolute blows at hostile forces and various kinds of criminal activities to carry out comprehensive management of public security and provide legal services for the establishment of the socialist market economic system through various channels and in all directions.

Leaders from the provincial CPC committee, provincial advisory commission, provincial commission on politics and law, and provincial military district who attended the meeting included Hui Liangyu, (Li Leng), (Ma Liang), Li Xifan, and Chen Zuocai.

In his work report, (Zhou Sixin), deputy secretary of the provincial commission on politics and law, summed up and reviewed the politics and law work of the whole province last year, and put forth demands on strengthening and reforming the politics and law work under the new situation.

The meeting pointed out: Under the new situation of speeding up reform, opening up, and modernization, and the establishment and development of the socialist market economic system in particular, politics and law work will face many new conditions, problems, and tests. Departments of politics and law at all levels must actively, comprehensively, and correctly implement the spirit of the 14th CPC National Congress, fully understand the importance and role of politics and law work, and increase their sense of responsibility and urgency in doing well the politics and law work under the new situation. It is necessary for them to emancipate their

minds, seek truth from facts, unite as one, advance courageously, and work in a down-to-earth manner. It is necessary for them to show great foresight and follow a down-to-earth work style to do well various politics and law work in a creative way.

The meeting called on departments of politics and law of the whole province to strengthen the function of the people's democratic dictatorship to deal resolute blows at various kinds of crimes. They must persist in the struggle of dealing severe blows at criminal activities, take strong measures, and enhance the level of the work of dealing severe blows at criminal activities. It is necessary to take firm and forceful measures to counter various kinds of criminal gangs, and criminal syndicates of a triad nature in particular. It is necessary to fully mobilize and rely on the masses to do well the work of pursuing and capturing escaped criminals or convicts to strive to bring a number of escaped criminals to justice as early as possible. With regard to gangs of hooligans, and highway bandits and despots who constitute a severe threat to the safety of the masses and adversely affect social security, we must persist in attacking them once they appear, and in exterminating all evils thoroughly.

The meeting stressed: Departments of politics and law at all levels must strengthen their sense of submitting themselves to and serving reform and opening up. They must assign an important position to their function of regulating economic relations, provide effective legal services through various channels and ways, and create a fine social environment in the interests of the acceleration of reform, opening up, and economic construction in our province.

Southwest Region

Guizhou Provincial Government Work Report
HK2502120093 Guiyang GUIZHOU RIBAO in Chinese
22 Jan 93 pp 1-3

[Guizhou provincial government work report delivered by Governor Wang Chaowen to the First Session of the Eighth Provincial People's Congress on 5 January 1993]

[Text] Fellow Deputies,

On behalf of the Seventh Provincial People's Government, I now submit a work report for your examination and approval, and also for valuable suggestions and comments from the members of the Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] and other comrades participating in the meeting.

Review of Government Work in the Past Five Years *[subhead]*

Since the First Session of the Seventh Provincial People's Congress, under the direct leadership of Guizhou CPC Provincial Committee, under the supervision of the

provincial people's congress and its Standing Committee, and with the help of the provincial CPPCC, we have successfully adhered to the party's basic line of "one center, two basic points" in a comprehensive way; correctly handled relations among stability, reform, and development; vigorously put into effect resolutions adopted by all the sessions of the Seventh Provincial People's Congress; relied on and united the people of all nationalities throughout the province to overcome the difficulties we are facing on our way forward; fulfilled all tasks assigned to the present session of government fairly successfully; and achieved new results in all fields of our endeavor.

—*Sustained growth has been registered in the national economy while the comprehensive economic strength was further reinforced.* It is estimated that the gross national product (GNP) in 1992 will reach 31.8 billion yuan, with an average annual growth rate of 7.2 percent in the past five years; that the total industrial and agricultural output values will amount to 46.25 billion yuan, growing at an average annual rate of 8.7 percent, of which total agricultural and industrial output values will grow at an average annual growth rate of nearly 4 and 10.9 percent, respectively; that local financial revenue will amount to 4.65 billion yuan, registering an 118 percent increase over 1987; that the total volume of retail sales will grow by 61.2 percent, totalling 11.8 billion yuan; and that the total amount of bank deposits and loans will increase by 264 and 242 percent, respectively. Over the past five years, total society-wide investment in fixed assets has amounted to 26.9 billion yuan, up by 115 percent over the previous five years; and state-owned enterprises have invested 6.753 billion yuan in technical innovation, an increase of 87.3 percent.

—*Capital construction in agriculture has been strengthened, and the rural commodity economy has developed further.* Over the past five years, we have made persistent and vigorous efforts to stabilize and improve the contracted responsibility system on a household basis with remuneration linked to output, and opened new roads for agricultural production in mountainous areas and for rural economic development. We have extensively spread the use of applied agrotechniques; further promoted both winter and dryland agriculture; and made fairly good headway in building irrigation works, turning hill slopes into terrace fields, carrying out the greening project, transforming medium- and low-yield farmland, conducting comprehensive agricultural development, improving the quality of drinking water in rural areas, and carrying out the shelter forest project along the upper reaches of the Chang Jiang. Efforts have been done to open, restore, and improve a total of over 4 million mu of irrigated areas; to harness soil erosion on 45.64 million square meters of land; and to solve the problem of providing drinking water to 2.24 million people and 960,000 domestic draft animals. The total grain output of the past five years grew by an average annual amount of

7.37 billion kg, up by 574 million kg over the average annual growth in the previous five years, while output of major cash crops, including tobacco and rapeseed, set historical records. Animal husbandry has maintained sustained growth for 14 consecutive years, and its proportion in the total agricultural output value increased from 23.9 percent in 1987 to 27.8 percent in 1992; and the afforestation survival rate of the forest industry has been enhanced and the forest coverage rate has risen from 12.7 percent to 14.8 percent. Township and town enterprises have undergone certain development, and are gradually becoming a major industry in the national economy. Fairly rapid development has been registered in rural trade fairs with an increased variety of major agricultural and sideline commodities, accounting for 41.4 percent of sales.

—Development of dominant industries has been accelerated, and construction of basic industries and facilities has been further strengthened. High-efficiency industries, such as cigarettes and famous brands of wine, have undergone fairly rapid development, and the annual output of cigarettes and wine products have topped 2 million cartons and 200,000 tonnes, respectively. The automobile industry is accelerating its efforts to conduct batch production, and the electronic industry has made new headway. Investment in electricity supplies has increased by 450 percent over the previous five years with 650,000 kw of new electricity-generating capacity, and the output of electricity grew at an average annual rate of 11.6 percent in the past five years. Fairly big increases have been registered in the output of main raw and semi-finished material products, including coal, aluminum, steel, rolled steel, ferroalloy, and ground phosphate rock, and intensive processing of superior resources has started. We have fulfilled the electrification improvement projects on the Guizhou sections of three railways; built 2,263 km of graded highways, including 277 km of first- and second-grade highways between Guiyang and Huangguoshu; improved and widened existing highways in eight prefectural seats and over 50 county towns; and built and improved 8,000 km of highways in different counties and towns. In addition, we have also established Guizhou Airlines with five new air routes and the Guiyang-Hong Kong direct chartered plane service. Program-controlled telephones have been put into operation in several cities, including Guiyang, Zunyi, and Duyun. Some key projects, including the Guiyang-Zunyi high-grade highway and the Longdongbao Airport, are under construction or have completed early-stage preparations. The output value of tertiary industries increased at a faster rate than those of primary and secondary industries; tourist resources have been further explored and utilized; and sustained growth has been attained in both the total number of tourists and the total amount of foreign exchange gained from tourism.

—New strides have been taken to invigorate Guizhou through application of scientific and technological

advances, and to further integrate science, technology, and education with economic construction. It has gradually become the consensus of the people of the entire province to rely on science and technology for economic invigoration. Progress has been achieved in scientific and technological structural reform, and certain results have been attained in running nongovernmental scientific and technological entities and in cultivating the scientific and technological market. Over the past five years, we have made over 2,000 scientific and technological accomplishments of various kinds, of which 14 won national awards for scientific and technological achievement, while others reached internationally advanced levels. New results have been achieved in the "Spark Program," in aid-the-poor work with application of scientific and technological advances, and in supporting border areas with intelligence, while headway was made in the technical renovation of enterprises. Education has undergone accelerated development, and the nine-year compulsory education system has been put into practice as planned. Primary education has been made universal in two-thirds of the counties throughout the province, the structure of secondary education tends to be more rational, and tertiary education has been enriched and readjusted. We have stepped up our efforts to improve the quality of minority nationality education, adult education, and vocational education, and in cultivating the contingent of teaching staff. New strides have also been taken in special education and anti-illiteracy work. In addition, we have also pooled funds to repair 4.4 million square meters of dangerous buildings in primary and secondary schools; gradually improved school buildings, libraries, and laboratories in institutions of higher learning; and constantly enhanced the school management conditions for schools of different categories and at different levels.

—Reform and opening up have made new headway while foreign trade has been further expanded. Over the past five years, we have always stressed that we should regard the difficulties we meet during the course of economic construction as the key issues of our reform; should maintain stability and continuance of basic policies; should vigorously push forward the transformation of the operational mechanism of enterprises; should carry out experiments on the joint stock system; should facilitate mergers of enterprises; and should establish enterprise groups. Results have also been attained in giving greater decisionmaking autonomy to enterprises in such fields as personnel, wage and bonus distribution, price fixing, investment policies, and import and export operations. Enterprises have acquired a stronger awareness of competition and a greater capacity to adapt themselves to the market needs. We have made vigorous efforts to conduct experiments on various kinds of reforms in selected prefectures and counties, and encouraged our people to be entirely confident to develop a diversified economy. In addition, significant moves have been

carried out in building new towns, merging townships, and abolishing prefectures; in setting up the system of rural socialized services; in reforming the grain and oil purchase and sales system; and in relaxing control over prices of most commodities. Development zones have been put under construction one after another, and housing reform has entered a substantive stage. The integration between circulation development and restructuring has injected greater vigor into commercial sectors and enterprises. Financial reform has helped enhance the financing capacity of banks, thus initiating a multiform financial system. Opening has been expanded, and 21 more counties (cities) opened to foreigners in the past five years. The accumulated total import and export volume of the province grew at an average annual rate of 19.1 percent, involving a total amount of \$1.23 billion, of which the accumulated export volume totalled \$896 million at an average annual growth rate of 18.2 percent. The accumulated total foreign investment actually used over the past five years reached \$250 million, involving sectors such as industry, agriculture, communications and transportation, posts and telecommunications, and commerce.

—Results have been achieved in assisting and developing poor areas as well as in stepping up economic development in areas inhabited by minority nationalities. As a result, the people's living standards have been further improved. Over the past five years, an accumulated total of 1.35 billion yuan has been used in assisting impoverished areas, and the work of assisting the poor has changed from pure relief to economic development. With the implementation of the "project to provide sufficient food and clothing," "work-relief programs," and various other aid-the-poor projects, most poverty-stricken people have adequate food and clothing, and the extent of poverty has become less serious. A total of 88 million yuan has been arranged to help minority nationality areas solve special difficulties cropping up during the course of economic development. As a result, the total industrial and agricultural output value of minority nationality areas reached 11.5 billion yuan, up by 33.4 percent over 1987. The living standards of people in urban and rural areas throughout the province have been further enhanced, and peasant per capita net income increased from 342 yuan in 1987 to 500 yuan in 1992; per capita income of urban residents reached 1,570 yuan in 1992, up by 93.3 percent over 1987; the average salary of workers and staff members in state-owned units totalled 2,258 yuan, registering a 61.9-percent increase; and the year-end deposit savings of urban and rural residents reached 9.7 billion yuan with an average annual growth rate of 31.3 percent. Improvement has also been shown in the indexes of employment, housing, health, nutrition, and predicted lifespan.

—All social undertakings have continued to develop, while the building of spiritual civilization has been further

strengthened. Family planning has been carried out as a basic national policy, the unduly fast population growth is basically under control, and the natural population growth is estimated to have dropped from 17.8 per 1000 in 1988 to about 15 per 1000 in 1992. Corresponding development has also been attained in such social undertakings of health care, sports, culture, press, publication, archives, social welfare, and social insurance, and work was strengthened in the fields of public security, judicature, legal institutions, supervision, auditing, civil affairs, minority nationality affairs, religious affairs, Overseas Chinese affairs, and Taiwan affairs. The building of spiritual civilization has seen new accomplishments, and a number of outstanding literary and theatrical works appeared on the cultural and artistic front. We have successfully held the first session of National and Folk Art Festival, China Southwest Art Festival, Wax-Printing Art Festival, and the first session of the Wine Art Festival. Through these festivals, we have promoted Guizhou's local and Chinese national culture, and achieved satisfactory economic and social efficiency. The building of the democratic and legal systems has been strengthened; law-enforcement and supervisory departments have made vigorous efforts to provide security guarantees and legal services for reform, opening up, and economic construction. A great deal of work has been done in the building of clean administration; positive results have been achieved in the comprehensive improvement of public security; the social order in both urban and rural areas has remained basically stable; and the political situation of stability and unity has been consolidated and promoted throughout the province.

In short, the past five years are years in which we have gradually deepened reform, constantly accelerated construction, and continued to attain new results based on the work accomplished by previous sessions of government. Here, on behalf of the provincial people's government, I would like to extend my heartfelt respects and sincere thanks to workers, peasants, cadres, intellectuals, officers and men of the PLA and armed police stationed in Guizhou, procuratorial and judicial policemen, and militiamen and reserve forces for their hard work in invigorating Guizhou in the past five years, and to all democratic parties, nongovernmental bodies, and non-party patriotic personages, as well as to Hong Kong, Macao, and Taiwan compatriots, Overseas Chinese, and foreign friends for their support to the construction of Guizhou.

Fellow deputies,

This session of government has fulfilled its term of office. Therefore, it is necessary to make a careful review on the government's work in the past five years to help improve our work in the future.

Since the Third Plenary Session of the 11th CPC Central Committee, all sessions of the Guizhou government have made persistent efforts to carry out the guidelines

of the central authorities in light of the special conditions of our province; to proceed from the realistic situation in implementing the line, principles, and policies of the central authorities; and vigorously push forward Guizhou's reform, opening up, and economic construction. As a result, Guizhou's national economy doubled on the basis of the GNP of 1980. After the party worked out principles and policies on comprehensively deepening reform at its 13th National Congress, and also after the central authorities decided to carry out the strategy of developing the economy of coastal areas, the development of the whole country has been accelerated, and we are faced with a great pressure. In order to seize favorable opportunities and greet challenges, we worked out at the first plenary meeting of this session of government the guiding ideology and work targets to further emancipate our mind, deepen reform, develop social productive forces, and mobilize the entire province to quadruple the GNP of 1980; systematically listed various expressions of our failure to free our mind sufficiently; and stressed the need to further eliminate the influence of "leftism" in economic work. In line with the criterion of developing productive forces, we have drawn up policies and measures which not only conform to the guidelines of the central authorities, but also tally with the realistic situation of Guizhou as well, and made it clear that the approach to bring about economic growth is in keeping with what the central authorities require of us. Practice has proven that all these basic ideologies and concepts have had a positive impact on cadres and masses throughout the province in their efforts to emancipate their minds. Starting in the second half of 1988, in accordance with the central authorities' arrangement to improve the economic environment and rectify economic order, we have analyzed fairly objectively the economic development situation of Guizhou, comprehended and implemented the decisions and policies of the central authorities in a positive manner; made use of the state's policy to extend preferential treatment to industries; and focused our efforts on strengthening the building of basic industries and facilities in such fields as agriculture, energy, raw and semi-finished materials, transportation, and telecommunications. During the political turbulence at the turn of spring and summer in 1989, we stressed the need to stabilize the overall situation by developing the economy, adopted suitable measures proceeding from the real situation, and succeeded in stabilizing the situation. To relieve cadres and masses of their doubts as to whether or not the basic policy of reform and opening up will change course, we promptly put forward 10 basic policies on maintaining the development of the diversified economy and stabilizing the contracted responsibility system on a household basis with remuneration linked to output in rural areas and the contracted management responsibility system in enterprises. All these basic policies have played an important role in stabilizing people's minds, enterprises, the economy, and the society; in maintaining the stability and continuance of the party's principles and policies in our province since the Third Plenary Session

of the 11th CPC Central Committee; and in consolidating and promoting the achievements attained in reform and opening up over the past over 10 years.

During 1989 and 1990, to enliven the economy and overcome the difficulties in our economic work brought about by the sluggish market, we stressed the need to place the focus on activating circulation. To this end, we put forward 10 measures for microeconomic regulation and a series of sales-promoting policies to vitalize the market, aimed at making progress while maintaining stability and enlivening the market while keeping strict control. We have realized in practice that we should, and can only, use reform methods to solve deep problems which occur during the course of economic development, follow the objective law of the commodity economic development—especially the law of value—and stress the need to regard the vigorous development of the commodity economy as the main theme of our economic work. Therefore, we made decisions to strengthen the building of the circulation field and successfully seized opportunities to relax control on the prices of most commodities, thus pushing forward the reform of the circulation system and bringing the role of market mechanism into better play. In our efforts to build clean administration, we have put forward the idea of protecting enthusiasm in both punishing corruption and carrying out reform and opening up, and we have also made clear to the public the demarcation lines of a number of policies. Such moves have played a positive role in stepping up Guizhou's reform and opening and in vitalizing its economy.

Ever since last year, to implement the guidelines of Comrade Deng Xiaoping's important talks during his southern trip as well as the plenary session of the CPC Central Committee Political Bureau, and in line with the requirement of further emancipating our mind, being bolder in conducting reform and opening up, and carrying out the economic construction at a faster pace, we have worked out a guiding principle mainly marked by "three beneficials," relaxation of control, and activation of the market. The provincial authorities promptly put forward 41 policies and supporting measures on speeding up reform, opening up, and economic development; adopted 37 policies and measures regarding Guiyang City's implementation of policies originally designed for coastal open cities; and made new arrangements for Guizhou's overall reform, opening up, and economic construction in line with the guidelines of the party's 14th National Congress. The formulation and implementation of these policies and measures have extricated us from certain ideological and systematic fetters, inspired the vigor of vast numbers of cadres and the masses, and brought about accelerated development of economic construction. Guizhou's GNP in 1992 is expected to grow by 9 percent over the previous year, and the total industrial and agricultural output value, by 9.2 percent, of which the increase in the total industrial output value is estimated at 14.5 percent. The pace of opening up has been accelerated, and foreign investment

increased by large margins, with a total annual contractual amount of \$330 million. New headway has also been made in all fields of endeavor, indicating the start of a new phase in Guizhou's reform, opening up, and economic construction.

Upon reviewing the government work and summing up both positive and negative experience in the past five years, we have gained an intimate knowledge of the following:

Upholding the ideological line of emancipating the mind and seeking truth from facts is a magic weapon for making a success in all our work. Our key task is to integrate the guidelines of the central authorities with the realistic situation of our province, and do a successful job in writing this great article of "integration." Over the past five years, we have striven to integrate the guidelines of the central authorities with the realistic situation of our province, constantly deepened our comprehension of provincial conditions, proceeded from reality in exploring the new road of agricultural development, selected and determined the key points for industrial development, worked out concrete policies and measures, and attained fairly satisfactory results. In fields in which we do a good job in integration, good results will be registered in our work and the economy will undergo faster development; and in fields in which we fail to do a successful job in integration or cannot bring about real integration, there will not be great improvement and the economy will grow at a slow pace. With fixed goals in mind, any hesitation in our work will have an adverse impact on the outcome. If we can persistently devote greater efforts to bringing about integration and proceed from the realistic situation in exploring our own road of development, we can have greater success in our work.

Upholding the basic line of "one center, two basic points" is a fundamental guarantee for our cause to remain in an impregnable position. The basic experience we have gained both from development attained in reform and opening up over the past 14 years and from results of economic work over the past five years has proven the fact that to unswervingly uphold the party's basic line, the key point is never to waver in centering our work around economic construction. Practice in the past five years has given us a clearer understanding that we can never waver in comprehensively upholding the party's basic line under any circumstances or at any time. We should firmly center our work around economic construction, bring about an organic integration between upholding the four cardinal principles and upholding reform and opening up, and better liberate and promote productive forces. We should pay special attention to preventing and overcoming one-sidedness in our comprehension at important junctures, and watch out for rightism but mainly guard against "leftism." In carrying out our practical work, we need to correctly handle relations among stability, reform, and development. Without stability, it would be impossible for us to attain development; yet to attain development, reform is indispensable. In the final analysis, development is a must.

Only when our economy is flourishing can we improve the living standards of the people, maintain long-term social and political stability, and enable our cause to remain invincible.

Placing persistent focus on the vigorous development of the commodity economy is an important way to expedite economic development. Through practice over the past five years, we have gradually become aware that providing sufficient food and clothing to the people and developing the commodity economy are not two diametrically opposed stages. Therefore, we have shifted our focus of simply resolving the problem of insufficient food and clothing to the orbit of mainly relying on the development of the commodity economy, resolved the problem of insufficient food and clothing in a steady way, and opened wider the door for our people to become rich. Based on the typical experience we have summarized, we have gradually opened up a new road for the development of the rural commodity economy, which gives consideration to the economy, ecology, and social efficiency, takes into account long-, medium-, and short-term plans, and features overall planning, comprehensive improvement, and well-coordinated development of "population, grain, and ecology." In addition, we have also used the market strength to raise funds for building capital facilities and developing dominant resources, taken new strides and opened up a new road in the building of many fields including electricity, communication, and transportation, and, by applying the methods of the market economy, had success in resolving many practical problems for urban residents, including urban transportation and vegetable supplies. Facts have told us that if we center our efforts on the commodity economy, observe the law of value, and pay attention to giving play to the roles of the market, the road will become wider for economic development, and we will have more methods and greater vitality to attain faster development.

Persistently relying on the masses of the people constitutes the foundation for our strength and victory in stepping up reform and construction. Invigorating Guizhou and making our people rich is a great cause for the people of all nationalities in our province. This great cause can only be accomplished by fully relying on the vast numbers of the masses and mobilizing positive factors on all sides with unremitting efforts. Over the past several years, it is precisely because of our reliance on the unity of cadres, hard work of the masses, and cooperation of all sides that this session of government can achieve fairly satisfactory results in all fields of its endeavor. In the future, we should make more conscientious efforts in upholding the party's mass line, pay attention to and proceed from the fundamental interests of the masses when working out policies, give full consideration to the load-bearing capacity of the masses when formulating major reform measures, and pay attention to the voice of the masses and heed the opinion of all sides when making policy decisions. We should persistently integrate spiritual with material encouragement; conduct

thorough and painstaking ideological work; pay attention to coordinating interests and relations among all sides, and mobilizing all positive factors that can be mobilized, while conscientiously subjecting ourselves to the leadership of the party, striving to bring about unity and coordination among several leading bodies; and persistently unite people who "hail from all corners of the country," appoint people according to their political integrity and ability, and enhance the unity of the cadres' contingent, thus promoting the overall unity of the people of all nationalities throughout the entire province. If we can persistently carry out our work in such a way, our cause can advance from victory to victory.

While fully reaffirming our results and experience, we also know clearly that Guizhou's economic foundation is still weak, its commodity economy remains undeveloped, its strides of opening up are not big enough, and the gap between the overall development of the other parts of the country continues to widen. Moreover, Guizhou's agricultural foundation is still fragile, township and town enterprises have developed at a slow pace, some of our rural areas still remain poverty-stricken, and a number of counties are faced with financial difficulties. Some state-owned enterprises are plagued by poor economic returns and a fairly large number of accidents in industrial and transportation production, while government organs are overstaffed and their work efficiency is low due to their failure to devote enough attention to transforming government functions. Some of the problems currently existing in Guizhou's economic development are results of the comprehensive effect of both subjective and objective reasons, while the roots of others can be traced to the old system. Subjectively speaking, we have not done nearly enough to study the new situations and problems that occurred during reform and opening up, or to use reform methods to resolve problems in our economic life. What is more, due to our failure in thoroughly implementing policies and measures, in seeking coordination in a number of fields, and in having the vigor to carry our work through to the end, some good policy decisions have failed to achieve their due results. In the future, we should try to overcome these problems, do a better job in all fields of our work, and push reform and construction onto a new stage.

Major Tasks for the Government in the Coming Five Years

At present, Guizhou's reform and construction have entered a critical stage. We should further intensify the sense of urgency and responsibility in invigorating Guizhou's economy, consistently adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, integrate the guidelines of the 14th party congress with Guizhou's realistic situation; seize opportunities to speed up the pace of reform, opening up, and economic construction; and strive to quadruple the GNP of 1980 ahead of schedule. To this end, we put forward the following suggestions:

During the coming five years, we should regard it as a key task for the government to speed up the pace of economic development. While improving quality, optimizing structure, and enhancing economic efficiency, we will strive to attain an average annual growth of 9 percent in Guizhou's GNP, 4 percent in the total agricultural output value, 13 percent in the total industrial output value, and about 15 percent in the output value of tertiary industries. We should quadruple the GNP of 1980 at the early stage of the Ninth Five-Year Plan period, and gradually bring a fairly comfortable life to the people after having steadily provided them with enough food and clothing. We should focus on the establishment of a socialist market economic system, and comprehensively deepen the reform of economic, political, scientific and technological, and educational systems, carrying out an all-directional open strategy and expanding opening in both range and depth, while further strengthening the building of the democratic legal system and spiritual civilization, and enhancing the development of various social undertakings at a new level. In line with the state's relevant requirements and the aforementioned targets for economic development, the provincial government will pay earnest attention to making appropriate readjustments to and putting into effect Guizhou's 10-year program and Eighth Five-Year Plan after adoption by the Standing Committee of the provincial people's congress.

To speed up the pace of economic development, we need to further emancipate our minds and cast away old-fashioned ideas. To achieve this goal, we, especially leading cadres, should take the lead in emancipating minds, and regard "three beneficials" as a criterion to tell right from wrong and to assess our work results. Efforts should be taken to completely extricate ourselves from the abstract disputes of having the surname of "capitalism" or "socialism," and to establish more firmly the guiding ideology that development can only be attained when we center our efforts around economic construction. It is necessary to conscientiously act in accordance with the law of value, shift the focus of our economic work onto the orbit of developing the socialist market economy, and make use of more means and methods of the market economy to open up and widen the road of expediting economic development. Strides should be taken to encourage and support qualified localities to attain the fastest possible growth so long as they can attain high quality and good economic returns and keep abreast the needs of the market. We should mobilize, protect, and provide correct guidance to popular enthusiasm for reform and construction, do solid work, strive for practical results, integrate the idea of acting according to one's capability with that of doing everything in one's power, do a successful job in overall planning and comprehensive equilibrium, concentrate our efforts to accomplish several major tasks, and open up a development road which features a fairly high growth rate and satisfactorily good economic returns.

I. Center Around the Establishment of the Socialist Economic Market System and Speed Up the Pace of Economic Reform

Reforming the existing economic system is a fundamental way for us to speed up the pace of economic development. Reform is aimed at establishing a socialist market economic system, enabling the market to play an essential role in resource allocation under the state's macroeconomic control and regulation, and gradually bringing about fundamental changes to the operational mechanism of the economy. To successfully carry out reform, we should proceed from the realistic situation, work out an overall plan and supporting policies, be bold in conducting experiments, and make vigorous efforts to push forward reform. At present, we should concentrate our attention on work in the following fields:

1. Speeding up the pace of transforming the operational mechanism of enterprises, and unremittingly gearing enterprises to market needs. Granting decisionmaking autonomy to enterprises is the key to changing their operational mechanisms. On the basis of doing a good job in experimenting with various reforms, we should act in line with the "Regulations on Changing Operational Mechanisms of State-Owned Industrial Enterprises" and Guizhou's implementation methods; grant decision-making autonomy by stages and in groups to enterprises in industrial, commercial, building, and transportation sectors; and enable enterprises to become main bodies of market competition as well as corporate entities that are independent, self-controlled, responsible for their own profits and losses, and capable of developing themselves. The work of transforming the operational mechanism of enterprises should be carried out in a well-coordinated way together with the work of changing the functions of government, the work of establishing a social insurance system, and the work of relieving enterprises of their heavy burdens. In addition, it is necessary to accelerate technological progress, strengthen the management of enterprises, and deepen their internal reform. Earnest strides should be taken to eliminate deficits and increase profits, improve the comprehensive quality of enterprises, and enhance the ability of enterprises to compete with each other in the market.

Continued efforts should be made to stabilize and perfect the contracted management responsibility system, and vigorously rationalize and improve the leadership structure of enterprises. It is necessary to put into use the market competition mechanism by which the superior survives and the inferior is eliminated; to encourage and guide enterprises to make structural readjustments through such means as integration, leasing, contracting, joint management, and mergers; and to develop a number of new enterprise groups. We should step up our efforts in experimenting with the joint-stock system step by step under unified leadership; expand the scope of experiments; go all out to develop urban and rural joint stock cooperative enterprises; and encourage the establishment of companies with limited liabilities with legal persons, or mainly legal persons, as shareholders. We

should make use of stocks to organize and establish enterprise groups, and set up limited liability companies which mainly rely on state-held stocks while raising part of the shares among workers and staff members as well as from society. During the process of experimenting with the joint stock system, we should adopt effective measures to protect the legitimate interests and rights of state-held stocks.

2. Continue to go all out with confidence to develop a diversified economy, thus giving form to a setup in which various economic elements can compete with one another on an equal footing. Facing the situation in which the proportion of nonstate economic elements, including collective, individual, private, and foreign-invested enterprises, is still relatively small in Guizhou, we need to seek unity in our understanding from the high plane of establishing the socialist market economic system, working out necessary measures, and trying hard to make remarkable headway in this aspect. It is necessary gradually to set up unified rules, regulations, and policies, and to create a market environment in which various economic elements can compete on an equal footing. We should encourage state-owned enterprises, especially large and medium enterprises, to practice "one factory, two systems" or "one factory, multisystems," and allow foreign businessmen, foreign-invested enterprises, township and town enterprises, private enterprises, and individuals to run state-owned enterprises under management contracts or leases. When carrying out work in a number of new fields, especially tertiary industries, we should pay attention to developing nonstate economic elements, and give support to the development of the collective, individual and private, as well as joint stock economies. In the future, industrial and commercial enterprises at the county level or below should devote major efforts to developing township and town enterprises as well as other economic elements, and can lease or sell to collectives or individuals those small state-owned enterprises which are plagued by poor management and economic inefficiency.

3. Speed up the establishment of the market system, and further deepen reform of the circulation system. Governments at all levels should regard it as a major task to cultivate, build up, and operate the market. It is necessary to further improve and expand the existing consumer goods market, build up at different levels wholesale and futures markets for industrial and agricultural products, gradually set up a market system which consists of specialized, comprehensive, and regional markets which are geared to the overall national market, and try hard to reach the goal of linking up with the international market. Vigorous efforts should be made to cultivate the factor market, especially the capital market, to gradually perfect the financial system which relies mainly on the state bank while using various subsidiary nonbanking financial institutions, including trust investment companies, urban credit cooperatives, and rural mutual savings foundations, and vigorously to develop the financial

market which covers negotiable securities. It is necessary to develop various kinds of agencies, build up the contingent of agents, and earnestly cultivate the markets of information, labor service, real estate, and property rights.

Strides will be taken to gradually put forward and perfect market rules and regulations, set up and improve the transaction system and rules of the market, strengthen and improve market management, and give form to a market order which features fair competition. In carrying out price reform, we should take into consideration the interests and load-bearing capacity of all sides, vigorously rationalize price relations, and gradually build up a mechanism by which the state controls and regulates the market, while the market formulates prices. Continued efforts will be made to deepen reform of the circulation system in the commercial sector, to develop the industry of circulation, further to invigorate state-owned and joint circulation enterprises, to strengthen our ability to control and regulate the market, and to set up and perfect the provincial reserve system of major materials such as grain, finished oil, salt, and sugar.

4. Deepen the reform of the distribution system and set up a social insurance system. We should persistently carry out a distribution system which relies mainly on distribution according to work and allows the coexistence of various distribution forms, taking into account the interests of the state, collectives, and individuals; put this distribution principle into practice not only inside enterprises but throughout the entire society as well; and encourage part of our people to get rich first and then gradually bring about common prosperity for all people. It is necessary to accelerate the reform of the wage system, and gradually set up a wage system as well as a mechanism for normal wage increases which suit the respective needs of enterprises and administrative institutions. Starting this year, we will cease to issue mandatory plans to enterprises on the number of staff and the total amount of wages. Instead, enterprises will be given the autonomy to make distributions of the total wage amount proposed by the guiding plan, while control on the total amount of wages will be relaxed in experimental enterprises. Efforts will be made to implement the "Stipulations of Guizhou Province on Protection of Legitimate Revenue From Economic Activities," protect legitimate income according to the law, and allow the practice of drawing dividends according to contributions and sharing profits gained from investment. We should grant awards to people who have made contributions to scientific and technological input, operational management, and investment introduction, and formulate a standard incentive system.

Efforts will be made to speed up the pace of reform of social insurance systems regarding job waiting, pension, medical care, and industrial accidents. In addition, it is necessary to gradually set up a social insurance system which is reasonably undertaken by the state, collectives, and individuals, and which integrates basic with supplementary insurance, and integrates insurance granted for

policy considerations with commercial insurance. In line with Guizhou's "Implementation Plan" on housing reform, urban housing restructuring will be unfolded throughout the province, and the pace of turning residential houses into commodities will be expedited.

5. Efforts should be made to carry out reform in administrative institutions, to change the functions of government, and to strengthen and improve macroeconomic control and regulation. Changing the functions of the government at an accelerated pace is an important precondition for granting autonomy to enterprises and establishing the market economic system. We should act in line with the principle of separating the functions of government from those of enterprises, and directly grant to enterprises the autonomies stipulated in the "Regulations" within a specified time. Earnest efforts should be made to change the functions of government in keeping direct control on economic work and concentrating our attention on drawing up overall plans, making correct use of policies, giving information guidance, seeking coordination, providing services, and conducting supervision. By using economic policies, laws, and rules, the state's guiding plans, and necessary administrative management, we can guide the market and the national economy to attain healthy development, and achieve real success in relaxing control of microeconomic activities while keeping a firm control on the macroeconomy. We need to further change the managerial functions of planning, financial, and monetary departments, while reinforcing the functions of economic supervisory departments, including auditing and industrial and commercial administration. It is necessary actively to guide specialized economic and technical departments to create conditions to turn themselves into economic entities, guide circulation departments to develop in the direction of integration, guide agrotechnical departments to develop in the direction of service entities, and gradually socialize the logistical services of administrative organs. In line with the principle of simplification, unity, and high efficiency, and in accordance with the arrangements of the party Central Committee and the State Council, we will pay close attention to carrying out experiments on various administrative structural reforms with the concerted efforts of both the higher and lower levels, and study and work out as soon as possible a concrete plan for Guizhou's administrative restructuring. In light with the realistic situation, efforts will be made to adopt necessary transitional measures to accelerate the diversion of personnel, basically fulfill the task of administrative restructuring within three years, and take positive strides to carry out the civil service system.

To establish a socialist market economic system, we need to make bold explorations in practice. Leading organs and law-enforcing supervisory departments at all levels should exercise strict and sound judgment on the demarcation line of different policies. That is, when coming across issues which have not been defined by existing laws and regulations, they should subject themselves to the guidance of policies; when uncertain about their

decisions, they should not rashly adopt a negative attitude but allow tests to be conducted; and when dealing with those who have made mistakes in reform experiments, so long as these people did not abuse their power for personal gains or violate laws and discipline, the leading organs and supervisory departments should warmly help them sum up their experience and encourage them to continue going forward. In short, we should be good protectors of reform who aim to encourage explorers, help people at fault, and create a relaxed environment for stepping up reform.

II. Speed up the Development of Dominant Industries, Concentrating Our Efforts on the Construction of Key Projects

Rationalization of the industrial structure is not only a fundamental way to ensure a fairly high economic growth rate and enhancement of overall economic efficiency, but a major measure to strengthen our ability to compete in the market as well. Under market economic conditions, we need to integrate utilizing industrial policies with giving play to market mechanisms, and better guide and push forward the development of key industries.

1. Further reinforce the agricultural foundation and develop the rural economy in a comprehensive way. Agriculture is the foundation of the national economy, while stability in rural areas is the foundation for stability of the entire society. The issue of peasants has always been a fundamental issue in China's revolution, construction, and reform. Under the present new situation in which economic development is accelerated, we need to attach greater importance to agriculture, rural areas, and peasants; earnestly prevent and overcome the trend of ignoring agriculture; and regard the work of strengthening agriculture as a major task in implementing the guidelines of the 14th party congress. To further strengthen our leadership over agriculture, it is necessary to conscientiously carry out relevant policies of reinforcing and developing agriculture and to carry out the 10 measures recently put forward by the party Central Committee and the State Council. Principal leaders should take personal charge of agricultural work, and leading organs at the prefectural and county levels should devote major attention to agriculture. Continued efforts should be made to increase capital and material input into agriculture, persistently relying on science and technology to invigorate agriculture while spreading the use of various effective methods, such as high-yield demonstration projects and the campaign of building farmland water conservancy works, and putting in a good deal of time to enhance the comprehensive capacity of agricultural production. Resolute efforts should be made to check the arbitrary imposition of various production quotas and fees, to strictly carry out the relevant stipulations of the State Council on lightening peasants' burdens, and to protect their justified interests and mobilize their enthusiasm in production. It is necessary to persistently carry out the strategy which features the overall planning of "population, grain, and ecology,"

comprehensive improvement, and well-coordinated development; to establish the concept of a general agriculture; to step up the internal structural readjustment of agriculture under the guidance of the market; and to take to the road of developing a high-yield, fine-quality, and high-efficiency agriculture.

We will consistently put grain in the first place, stabilize the total area sown to grain, support various preferential policies especially designed to boost grain production, devote great efforts to improving the basic conditions of agricultural production, and try our best to maintain stable growth in grain production. It is necessary to give better play to Guizhou's advantages in tobacco production; adopt earnest measures to resolve problems existing in tobacco production, purchase, and management; actively rationalize the production and management system of tobacco; try to increase the total output while devoting persistent attention to enhancing the quality and per unit area yield; raise the proportion of fine quality tobacco; and strive to enable fine-quality tobacco to occupy a seat in both domestic and overseas markets. We should pay attention to improving the quality of rapeseed, promote intensive processing, open up more sales channels, and protect peasant enthusiasm in growing rapeseed. In our efforts to develop the forest industry, we need to take into account the economy, ecology, and social efficiency; intensify the dynamics of reform; mobilize the enthusiasm of all localities and peasants in developing forestry; strive to bring true the goal of basically afforesting Guizhou within 10 years; make a success in the building of forest bases; raise the proportion of cash forests; open up more forest and sideline products; and promote the processing of forest products. In promoting animal husbandry, while stabilizing the total number and raising the dressing percentage of hogs, we will raise the proportion of livestock; build up a number of bases for the production of livestock, poultry, and fish; promote the processing of livestock products; and further raise the proportion of animal husbandry in agriculture. In addition, we will carry out high-quality comprehensive agricultural development projects from a high starting point and with a high standard; make use of uncultivated mountains, hill slopes, and water; and vigorously conduct the greening project. In line with local conditions, we will build up a number of commodity production bases for forests, fruits, medicine, tea, tung trees, mulberry, lacquer trees, Chinese tallow trees, gallnut, and edible mushrooms, and expand the production scale and enhance the commodity rate of fine-quality agricultural and sideline products. Modern processing lines for agricultural and sideline products will be built up in a planned way in key agricultural production bases, suburban areas of major cities, and factory and mine districts with an aim to bring about additional value through processing. We will earnestly carry out the "shopping basket" project and try our best to satisfy the needs of the people.

Township and town enterprises are a leading force in the development of the socialist market economy in rural

areas. We should take township and town enterprises as a strategic key issue in our entire economic work, further strengthen leadership, popularize the experience of typical examples, put into practice various measures, give positive support, try to bring about a 25-percent average annual growth to the total output value of township and town enterprises in the coming five years, and strive to attain an even faster growth rate. We will also mobilize different kinds of economic elements; bring about common prosperity to the collective, joint, individual, and private sectors; vigorously promote joint ventures and cooperative enterprises; and run joint stock cooperative township and town enterprises. We will give support to all economic sectors so long as they can achieve good economic efficiency, regardless of their scale, speed, and proportion of ownership. On the basis of vigorously developing cultivation and breeding industries, we will run a number of enterprises for the intensive processing of agriculture, forestry, animal husbandry, and special local products; earnestly develop communication, transportation, commerce, and tertiary industries such as service and tourist industries; and continue to develop mining, smelting, and construction material industries. Efforts will be made to tap the potential of existing township and town enterprises, strengthen and improve their management, do a good job in technical renovation and structural readjustment, and develop small township and town industrial zones in such localities where conditions permit. It is necessary to persistently adopt the method of using townships and towns to bring along rural areas, use large factories to bring along small ones, encourage state-owned large and medium enterprises to run, cooperate with, or help township and town enterprises in their operation, and encourage, select, and send cadres from party and government organs as well as scientific and technological personnel to establish, cooperate with, or run under contract township and town enterprises. Efforts will be made to study and adopt effective policy measures on cultivating, introducing, and boldly recruiting various kinds of talented people, so as to quench the thirst of township and town enterprises for various kinds of talent. Strides will be taken to open up more channels for greater input into township and town enterprises, try hard to improve the basic facilities and conditions needed to develop township and town enterprises, such as water, electricity, and highways, and bring about better and faster development to township and town enterprises.

Establishing and perfecting a socialized service system that relies mainly on circulation is an important measure for developing the rural economy. While stabilizing and perfecting the contracted responsibility system on a household basis with remuneration linked to output as well as the management system in rural areas whereby unified management is combined with separate management, we will seize opportunities to accelerate reform of the purchase and sales system of agricultural products, gradually relax control over the prices of grain and other agricultural products in a comprehensive way, and

enable peasants to engage in production and management under the guidance of the market. We will devote efforts to resolving problems currently existing in the circulation of agricultural products, including the problem of peasants finding it difficult to buy and sell products. In addition, we need to consider funds for purchasing agricultural and sideline products an essential item in fund arrangement, and thus ensure that such funds are always available when needed, while establishing a reserve and risk foundation for the production and purchase of major agricultural products, as well as a powerful macroeconomic control and regulatory mechanism, and to share the risk with and provide services to peasants during the time they are heading for the market. We will allow qualified agricultural enterprises to directly raise development funds in the market, allow the transfer of land use rights with compensation, guide and encourage peasants to run factories and shops in cities and towns, and make vigorous efforts to organize labor service exports. Through reform and giving support with preferential policies, we will increase input into basic circulation facilities of agricultural products, and set up agencies which can help peasants enter the market, as well as operational organizations featuring integration of trade, industry, and agriculture and streamlined operation of production, supply, and sales. Conditions will be created to turn agricultural economic and technical departments into service economic entities at a faster pace; to perfect and expand various service organizations; and to strengthen their functions to serve agriculture.

It is necessary to combine rural economic development with population control. While we are trying to bring about better grain production and greater economic growth, we will persistently focus our family planning work on rural areas in line with the requirement of "two increases and one control"; unremittingly carry out relevant rules, regulations, and policies on family planning in a strict way; and strive to control the natural population growth rate within 14 per 1000. Efforts will be made to enhance the per capita grain and income level of peasants. We plan, within the coming five years, to bring the per capita net income of peasants throughout the province to 700 yuan or more, and to bring about a fairly great improvement to living standards, rural housing conditions, and the look of rural areas.

2. Give better play to the superiorities of industries, and vigorously strengthen the construction of basic industries and facilities. It will be very significant in speeding up Guizhou's market economic process and its pace of opening if we can improve fairly well Guizhou's basic facilities. Efforts will be made to focus attention on the construction of comprehensive transportation networks and telecommunications, intensify the dynamics of investment, adopt various preferential policies, and speed up the pace of construction. We will practice the compensated use of newly established basic facilities, impose reasonable fees, set up foundations, and bring about a snowball development. Regarding the construction of some large-scale basic facilities, economic entities

can be set up to take charge of borrowing and repaying loans, and of coordinating the construction, operation, and management of the projects.

Light, textile, engineering, and electronics industries should adapt themselves to changes which are to take place in both domestic and overseas markets once China resumes its signatory status in GATT; speed up the pace of technological renovation; improve the quality of their products; reduce production costs; readjust product mix and the organizational structure of enterprises; and enhance the capability of these industries to batch produce fine-quality products. The automobile industry, through highly intensive input, should give form to a scale economy as soon as possible. The electronics industry, while expanding the existing production scale of superior products, should vigorously produce goods which are sought after in both domestic and overseas markets. Vigorous efforts will be made to invigorate the engineering and electronics industries, and to continue giving play to the superiorities of wine and cigarettes of famous brands. Industries including textiles, leather, paper, soft drinks, household chemical articles, and household electrical appliances should try hard to shorten the cyclical period for developing new products and should speed up the pace of product renewal. It is necessary to establish correct competition awareness, attach importance to quality, stress prestige, strengthen supervision over standard measurement and technical quality, strike heavy blows at the production and sales of counterfeit and inferior commodities according to the law, and to safeguard the reputation of Guizhou's fine-quality and famous brands of products in both domestic and overseas markets.

The energy and raw and semifinished materials industries should seize the present favorable opportunities, which feature large market demands, and pay attention to the exploration and development of mineral resources while further strengthening their prospecting and management. The coal industry should do a good job in the renovation of old mines and the construction of new ones. The power industry should simultaneously develop thermal and hydraulic power production, establish large, medium, and small power plants, appropriately raise the proportion of thermal electricity, and establish more joint power plants. The industry of raw and semifinished materials should give play to and expand the capacity of existing production bases. We will attach importance to the intensive processing of superior resources with a view to improving their additional value and economic efficiency. The industry of building materials should actively expand production according to the needs of the market and try hard to develop new building materials. Continued efforts will be made to develop the building industry.

3. Suit the development of the market economy and vigorously invigorate tertiary industries. The flourishing and development of the tertiary industries is of great

strategic significance to establishing the market economic system and accelerating national economic development. It is necessary to do a good job in planning, to relax policies, to reform those policies, rules, regulations, and management methods which are unsuitable to the development of tertiary industries, to mobilize all social forces to increase their input, and to bring about a fairly large increase in the proportion of the tertiary industry additional value in the GNP. Efforts will be made to give prominence to the development of communication, transportation, telecommunications, circulation, financing, and tourism, and to speed up the development of industries which use less investment, achieve faster development, provide more employment, and have close relations with economic development and the people's livelihood. It is also necessary to vigorously develop such new industries and trades as information, consultation, insurance, and environment protection. Guizhou is rich in tourist resources; therefore, we should regard the tourist industry as an important industry, vigorously open up domestic and overseas tourist markets, develop tourist products, rationalize the management system, improve service facilities, and enhance the comprehensive management level and service quality. In coordination with the renovation of cities and the construction of townships and towns, we will actively yet steadily carry out reform on the land use system, do a good job in the comprehensive cultivation of real estate, and bring about development in the property industry.

In line with the aforementioned key tasks in industrial development as well as Guizhou's blueprint to readjust Guizhou's 10-year program and the Eighth Five-Year Plan, the entire province needs, in the coming five years and even a longer time to come, to concentrate its efforts on building key projects with fine quality and high efficiency in the following 10 fields:

First, basic agricultural construction. At the same time while we are protecting existing farmland, we will put stress on turning hill slopes into terraced fields, on the greening project, on water conservancy works, and on comprehensive agricultural development. Each year, we will turn 500,000 mu of hill slopes into terraced fields and fulfill the greening project on another 500,000 mu of farmland, with the aim of building farmland which can give high and stable yields. The second-phase of the comprehensive agricultural development project involving 28 counties (cities and special zones) will be completed within the coming three years. We will pay close attention to the construction of key water conservancy works, including the Tianzhu Fishpond Reservoir and the Xingyimu Langhe Reservoir that are presently under construction, vigorously fulfill the preparatory work and strive to build key water conservancy works in irrigation areas of northern and central Guizhou, and do a good job in maintaining and coordinating existing water conservancy facilities. It is our goal for the coming five years to increase by 1 million mu the effectively irrigated area, by 900,000 mu the guaranteed irrigated

farmland, and by 1 million mu the manually irrigated land, and to control soil erosion on 10,000 square kilometers.

Second, highway construction. By attaching importance to highway construction in counties and townships, strengthening the management and maintenance of existing highways, and bringing their efficiency into full play, we will speed up the construction of graded highways. We will focus our efforts on building southbound thoroughfares, strive to gain greater support from the state, start as soon as possible on construction of a high-grade highway from Guiyang to the Guangxi border via Machangping, and prepare for extending the highway eastward to Yuping, make preparations for extending the Guiyang-Huangping highway southward, try to complete projects already under construction ahead of schedule—including Guiyang-Zunyi highway—and gradually speed up the construction and renovation of arterial highways leading to outlying prefectures such as Bijie.

Third, the construction of railway and marine transportation. Efforts will be made to accelerate the construction of the Guizhou section of the Nanning-Kunming Railway, and to strive to start ahead of schedule the construction of the Shuicheng-Xiaoyunshang and Zhi-jin-Huangtong Railways, as well as the renovation and expansion project of the Guiyang-Liuzhou Railway. A wharf will be built in Fangcheng, Guangxi Province, with the aim of handling Guizhou's exports by ocean shipping. We will also focus our efforts on harnessing inland waterways including the Hongshi He, as well as the south and north Pan Jiang, on building passenger and freight ports, and on increasing the mileage of inland marine transportation.

Fourth, the construction of airports and aeronautical transportation. We will concentrate efforts of the entire province on the construction of Longdongbao airport and mobilize the enthusiasm of all localities in doing a good job of the early-stage preparatory work. It is also necessary to create conditions to restore and build airports in a planned way in Tongren, Anshun, Zunyi, Xingyi, Bijie, and Dushan, purchase and lease more planes and increase flights, and gradually give form to an aeronautical network which centers in Guiyang and links with all parts of the province and the country. Vigorous strides will also be taken to open new domestic and direct international air routes.

Fifth, the construction of postal and telecommunications service! We will complete the construction of the transprovincial cable telecommunications project as well as the renovation and construction of the microwave trunk lines within the province. Program-controlled telephones will be installed in key cities and counties where conditions permit aimed at bringing the total number of program-controlled telephones throughout Guizhou to 300,000 sets, thus pushing telecommunications to a new stage.

Sixth, the construction of famous cigarette factories and wineries, and the building of the automobile industry. Strides will be taken to fulfill the technical innovation of key cigarette enterprises, and enable the major economic indexes of cigarettes to reach both domestic and international advanced levels. It is also necessary to accelerate the technical innovation of wineries which can produce famous brands and fine-quality wines and to expand their production scales. The building of the automobile industry should be expedited in a bid to enhance the industry's ability to batch produce light-duty trucks and mini-cars, and to expand and perfect the production bases of vehicle spare parts.

Seventh, energy construction. Continued efforts are required to successfully carry out the construction of the Shuicheng and Panjiang mines, to start the construction of the Zhiyan coal mine, to complete and put into production the Dongfeng and Puding power stations, the Panxian power plant, and the technical innovation project of the Guiyang power plant, to start construction of the Hongjiadu and Longtan power stations and the Anshun and Duyun power plants, and to speed up the early-stage preparation of the Goupitian, Sanbanxi, and Silin power stations, and the Zhijin, Xingyi, Qianbei power plants. We will strive to bring Guizhou's total electricity output to 4.5 million kw by 1997.

Eighth, the construction of raw and semifinished materials. A good job is called for in the construction of production bases of phosphorus, aluminum, steel, cement, and gold, as well as in the intensive processing of aluminum, phosphorus, coal, and steel. Efforts will be made to complete the construction of the Wengfu mineral fertilizer base, and to start the third 80,000-tonne (or 100,000-tonne) aluminum electrolysis project and the third phase of aluminum oxide project of the Guiyang aluminum factory. We will also speed up the coordinated development of the Shuicheng Iron and Steel Company and the Guiyang steel plant, and do a good job in the early-stage preparation of the Xingyi Steel Plant.

Ninth, the building of market facilities. We will set up, step by step, a number of key markets which can play a dominant role in the establishment of a province-wide market system. Efforts will be made to build and perfect the wholesale markets of grain, coal tar, cigarettes and wine, tea, leather, and traditional Chinese medicines; build and renovate a number of trade fairs and consumer goods markets; strengthen the renovation of existing warehouses and storerooms; and build up large and medium comprehensive and specialized warehouses in a planned way.

Tenth, the building of tourist facilities. We will try hard to step up tourism by improving the conditions of communications, transportation, hotels, sightseeing, and entertainment. While paying continued attention to the construction of tourist areas in the western part of Guizhou, we will devote great efforts to the construction and development of sightseeing spots which mainly feature natural scenery and a minority flavor. Meanwhile, we

will build or renovate a number of star-level hotels in Guiyang, Zunyi, and Anshun aimed at enhancing the reception capacity and management standards of our province.

To satisfy the need of key construction and economic development, we must raise construction funds through many channels. We need to do a successful job in the early-stage work of resource development and key industrial projects, and strive to obtain more investment from the state. Financial departments should try their best to expand the credit scale, develop the monetary market, expand the scope of inter-bank lending, and increase the total issue of bonds and stocks to the public while preserving a good reputation. Governments at all levels should broaden financial sources, ensure stable growth in Guizhou's financial revenue, vigorously promote financial credit, further improve the investment benefit mechanism, and gradually increase input in financial construction. By adopting the method of "having one industry support another," we will set up a development foundation for key industries, make use of the open policies granted by the state, work out more preferential policies and incentive methods on investment introduction, attract more foreign investment, and mobilize the enthusiasm of all sides in making and introducing investment. We need to carry out the construction of key projects in order of importance and urgency, concentrate our efforts to fight battles of annihilation, and enhance the efficiency of investment.

III. Put Focus on Key Areas of Regional Development, and Continue To Extend Support to the Economic Development of Poverty-Stricken Areas and Areas Inhabited by Minority Nationalities

Different areas in Guizhou differ greatly in natural conditions, as a result, the economic development among these areas is extremely uneven. During the process of establishing a market economy, we should act in line with the principle of suiting measures to local conditions, making reasonable labor divisions, bringing into play the strong points of different localities, giving complementary support to each other, and of bringing about common development. While we continue to support minority and poverty-stricken areas with effective policies and measures, we will focus our efforts on economic efficiency, optimize the allocation of resources, bring about uneven development to different localities, step up the development of central cities, areas along transportation lines, and areas with better conditions, and reinforce the strength of these areas to bring about common prosperity to the entire province.

The central Guizhou area with Guiyang as its center is a relatively advanced area in Guizhou. We will make full use of the preferential policies granted to Guiyang as an inland open city; give better play to its superiorities in location, policy, economy, and technology; and make bigger strides in attaining future development. Central cities are required to pool certain financial and material strengths, reinforce the construction of urban capital

facilities, accelerate comprehensive urban development, do a good job in comprehensive improvement of the urban environment, intensify and perfect the functions of cities, and bring along development of their suburban areas, neighboring counties, and the entire economic zone related to these cities. It is necessary to strengthen economic cooperation with other areas inside the province in the form of dispersing the production of different products, processing and assembling, technological transfers, and common investment; build up production bases which are characterized by integration of raw materials, processing, and sales; and make concerted efforts to develop enterprise groups. Vigorous steps will be taken to coordinate moves "southwards," make full use of the rich natural resources and convenient marine transportation facilities in areas along communication lines, develop such trades and industries as iron and steel, power, and building materials, and give form to "industrial corridors" along major communication lines. Being listed by the state as one of the key development zones of territorial resources, the area of Guizhou should vigorously create conditions for and expedite the pace of development. Areas along the mainstream of the Wu Jiang should make full use of the preferential policies extended by the state, pay close attention to the ladder-shaped development of large-scale hydropower plants, step up the exploration and utilization of superior resources, and gradually bring about overall development to the energy, raw and semifinished materials, agriculture and forestry, and tourism of the area. Prefectures and cities located in "Panxi-Liupanshi" and Hongshuihe development zones are required to pay close attention to hydropower and coal development projects which are currently under construction, strive for greater support from the state and more joint investment, and give start to more projects involving energy and raw and semifinished materials. In addition, we should also do a good job in the comprehensive development of the Shishuihe and Diliu Jiang valleys.

In carrying out county-level economic development, we need to cultivate and develop various pillar industries with distinctive features, and vigorously develop township and town enterprises as well as collective, individual, private, and joint stock cooperative economies according to market demand and in light of local superiorities in resources and economic conditions. It is necessary to attach importance to supporting the county-level economy, to continue to carry out the various policies and measures to support county-level economic development, to give concentrated support by stages and in groups to the poorest counties to help develop their economy, and to strive to bring about fairly great improvement in county-level economic strength. All counties are required to create conditions to open themselves to the outside world, adopt preferential policies for the introduction of investment and recruitment of able personnel, and step up the development of resources. Prominence will be given to the development of cities and towns along trunk transportation lines, to paying attention to the development of cities and towns

on the provincial, prefectural (city), and county (city) boundaries, to developing a number of regional and local markets, to making flexible use of policies, and to injecting greater vigor to the economic life. It is necessary to accelerate the construction of trade fairs and basic facilities in town and township seats, and to strive to open traffic and telephone services among all townships, thus turning them into economic, political, and cultural centers of rural areas.

Efforts to accelerate economic development in areas inhabited by minority nationalities are of great significance to strengthening nationality unity, maintaining political stability, and realizing the goal of invigorating Guizhou and making our people rich. Provincial authorities will continue to grant preferential policies to these areas in funds and projects, and give prominence to the construction of basic facilities including transportation, power, and telecommunication, as well as construction projects in the fields of comprehensive agricultural development, commodity grain production bases, and development of nationality education. Efforts will be made to further implement the "Law of the People's Republic of China on Autonomy of Nationality Regions," adopt more preferential policies and measures to support nationality areas, and make appropriate allowances for localities which are plagued by lack of sufficient funds in carrying out a variety of projects ("assorted cold dishes," pin pan 2178 4149). Areas inhabited by minority nationalities should make full, proper, and flexible use of various preferential policies; speed up the pace of reform and opening up; boldly introduce funds, technologies, and managerial personnel; and step up the economic development of these areas. Since most areas inhabited by minority nationalities are poverty-stricken, we should regard "two stabilities" as our goal; extend the focus of assisting the poor to the poorest areas, deep mountainous areas, rock-ribbed mountainous areas, high-altitude frigid mountainous areas, and nationality areas; continue to increase input; ensure prompt provision of poverty assistance funds to these areas; carry through various preferential policies; and pay close attention to the construction of projects which have already been determined by the state, including telecommunications, transportation, technological renovation, and resource exploration. Continued efforts will be taken to carry out as scheduled the project of "providing sufficient food and clothing," and to gradually build up a number of pillar industries which are based on cultivation and breeding industries, have extensive coverage, enjoy a high commodity-rate, and can achieve remarkable results in extricating themselves from poverty and becoming rich. Vigorous efforts will be taken to help nationality and poor areas to develop township and town enterprises, allow them to run various kinds of township and town enterprises and tertiary industries with poverty assistance funds, adopt the method of "registering businesses in local areas, running factories in other areas, and bringing back profits," and pool funds and laborers to run township

and town enterprises or carry out other economic activities in districts and areas where conditions are better and where higher economic efficiency and faster results can be achieved. We will continue to do a good job in running the Bijie experimental zone to aid and develop poor areas as well as ecological construction. It is necessary to carry out the quantity-based aid-the-poor management responsibility system, strengthen the supporting policies on aiding the poor for relevant departments, and to offer financial, material, and technical support to poverty-stricken counties.

IV. Implement a Comprehensive Strategy and Expedite the Pace of Opening Up

To further expand opening up and adopt a larger amount of capital, technology, and management experience from abroad in a more efficient way is extremely important to the realization of the goals of reform and construction in the entire province. It is imperative to make further efforts to open the closed mentality, strive to create conditions for expanding the scope and depth of opening up, and promote exploitation and development by relying on the opening up process to a greater extent.

It is necessary to conduct the all-dimensional opening process selectively. We should, in a dynamic way and with the initiative in our hands, take advantage of the favorable opportunity that the state is pushing ahead with comprehensive opening up in coastal, border, and river valley areas as well as inland cities and make full use of Guizhou's favorable conditions, namely, its location in southwest China and its close proximity to the markets in south and central China in the following processes: "Going south" to strengthen cooperation with such provinces and autonomous regions as Guangxi, Guangdong, and Hainan and to conduct dynamic opening up in South Asian, Southeast Asian, and even world markets; "going north" to strengthen cooperation with Sichuan, Tibet, and the whole of northwest, northeast, and north China and to energetically develop border trade with CIS countries; "going east" to strengthen cooperation with the provinces along the middle and lower reaches of the Chang Jiang and in southeast coastal region in a bid to open the path to the east and take an active role in the development of Pudong; and "going west" to strengthen cooperation with Yunnan Province and take an active part in the development of border markets. To this end, it is necessary first of all to do a good job of the listed highway, railway, waterway, airway, and communication projects. It is of special significance to concentrate on opening the corridor to the south and to form gradually a multilevel, comprehensive pattern of opening up with the process of going south as the central task, with cooperation with coastal, river valley, and border regions in opening taking the forefront, with its advantages in natural resources as the foundation, with pillar industries and key development areas as activators, and with technical advances as buttresses. Now that Guiyang City has been designated by the state as an inland open city, it is

necessary to seize this opportunity, boldly expose ourselves to and selectively assimilate the experience of special economic zones [SEZs] and coastal open cities, make maximum and effective use of all preferential policies, and expedite Guiyang City's pace of economic development and opening up to make it a strong prop for the implementation of the all-dimensional opening up process in the whole province. It is necessary to encourage and help all prefectures, autonomous prefectures, and cities to find different ways to enjoy the preferential policies that Guiyang City is entitled to, so that the whole province may benefit from one city's opening up. It is necessary to concentrate energies on the building of the Guiyang, Zunyi, and Anshun development zones, continue to give them favorable treatment in terms of projects and funds, create a favorable, open environment to help them attract foreign investment for development, and turn them into a window of opening up of the whole province as soon as possible.

It is necessary to further expand foreign economic relations and trade. We should make a careful study of the new circumstances our country will face after resuming the status of signatory to GATT, to take steps and make various preparations in advance, and, while keeping up and striving to increase the existing foreign trade market share, to work toward opening up new international markets, to promote the multipolarization of foreign trade, and to develop energetically the foreign-oriented economy. It is necessary to speed up the reform of the foreign trade system, to urge foreign trade enterprises to change their operating mechanisms, to broaden their business scope by taking account of the needs of domestic and international markets, to develop toward diversified operation, integration of import and export, and equal emphasis on internal and external trade, and to gradually move foreign trade enterprises in prefectures and counties to lower levels to help with the integration of agriculture, industry, technology, and trade. It is necessary to help qualified large and medium-sized enterprises to acquire authorization for import and export and to form enterprise groups that integrate trade with industry (and/or agriculture) and are eligible for import and export operation authorization; to popularize on an overall scale the system of export agency and allow enterprises that provide export products to conduct foreign trade through agencies; and to encourage competent enterprises, especially large and medium-sized state-owned enterprises, to set up factories and outlets outside China to get involved in transnational operations. It is necessary to readjust the mix of export commodities, make a good job of the construction of export commodity bases, strengthen commodity inspection and customs work, strive to upgrade the quality and caliber of export commodities, and try to effect a big increase in the province's export and foreign exchange earning.

It is necessary to broaden the channels and scope of foreign capital utilization. We should make dynamic efforts to improve the environment for investment,

delegate the authority to ratify foreign-invested projects to lower levels, simplify the processing procedures, act according to international practice, enhance efficiency, introduce and develop foreign-related legislation and investment service systems, and accelerate the pace of foreign capital utilization by taking advantage of the preferential policies in tax reimbursement for exports and in the use of foreign exchange, land, and manpower. Substantial efforts should be made to steer foreign investment toward the construction of infrastructure, the technical transformation of enterprises, lot development of land and urban renewal, development of tertiary industry, and so on. Foreign businessmen should be allowed to enter such trades as commerce, finance, communications, tourism, and the property industry. Efforts should be made to set up more foreign-funded enterprises and keep expanding the scope of foreign capital utilization.

V. To Energetically Develop Science and Technology and Education and To Speed Up the Reinvigoration of Guizhou Through Science and Technology and Education

Science and technology is the primary productive force and key to enhancing economic efficiency and competitiveness in the market. To reinvigorate the economy, it is imperative to reinvigorate science and technology and education first. The whole society, first of all the leaders at various levels, must further reinforce their awareness of the importance of science and technology and education and include advancement in science and technology and the development of education in tenure targets of governments at various levels. It is necessary to increase input in science and technology through various channels, to make a good job of the building of key scientific research institutions, and to strive to expand the size of contribution by science and technology toward economic growth. We should, in accordance with requirements set out in the province's outline program for promoting agricultural development by means of science and technology and education in the 1990's, make effective overall arrangements for agriculture-oriented science and technology and education, popularize applied agricultural technologies on a broader scale, and continue to implement the "Spark," "Prairie Fire," and "Harvest" Programs. It is necessary to expedite the technical transformation of enterprises and focus the input in technical transformation of car industry, machine-building, electronics industry, tobacco and wine industry, communications, and raw materials production. The Guiyang high and new technology industrial development zone should be well managed and efforts should be made to shore up the development of high and new technology industry and to popularize the application of achievements in those fields. It is necessary to introduce advanced equipment, technology, operational methods, and managerial experience from abroad and make a good job of absorption, assimilation, and innovation. It is necessary to find the right targets and take pains to organize operations to implement important and challenging scientific and technological

projects, while continuing to strengthen basic research, encourage the integration of scientific research units with production units, give energetic support to and make a good job of intermediary experiments and industrial experiments, set up funds for intermediary experiments, and speed up the popularized application of scientific and technological findings. It is necessary to develop and improve the system for protecting intellectual property and give play to the role of patent system in the development of the scientific and technological undertakings and economic construction.

It is necessary to expedite the reform of the scientific and technological system, improve scientific and technological operating mechanisms, and speed up the process of materializing science and technology into tangible productive forces. We should gradually put an end to the unjustifiable phenomenon of scientific research institutions relying solely on allocated funds and the free use of scientific and technological findings and help scientific research academies and institutes engaged in exploitation and popularized application to develop in the direction of integrating scientific research with production and business operations, so that they can gradually become technology-agriculture-trade or technology-industry-trade entities. It is necessary, according to the principle of "stabilizing one end and decontrolling a wide range," to guide and organize the rational distribution of scientific and technological personnel and put the bulk of scientific and technological forces into the principal sectors of economic construction, to support the development of nongovernmental scientific and technological entities and encourage scientific and technological personnel to run scientific and technological entities and engage themselves in other economic activities, to formulate policies and measures to further mobilize the enthusiasm of scientific and technological personnel and management personnel, to link the award system with economic efficiency, and to give generous awards to scientific and technological personnel and management personnel who have made outstanding contributions.

It is necessary to place education in a strategic position and give it priority in development, to implement the party's education policy in a comprehensive way, to upgrade the quality and deepen reform of education, and gradually to form an educational system that conforms to the development of the market economy. It is necessary to strengthen basic education, to install the system of nine-year compulsory education as planned, to take effective steps to solve such problems as rural children being unable to attend school, to adopt dynamic measures to help provide education for children in ethnic minority areas, to develop vocational and technical education, to actively popularize the "unified management of three types of education (i.e., basic education, vocational education, and adult education)" and the integration of agriculture-science-education, and to run comprehensive vocational-technical training centers well. It is necessary to continue to strengthen education for ethnic minority people, adult education, infant education, special education, and teacher training. In higher

education, it is necessary to make further adjustments to the establishment of faculties, to develop specialities in short supply and new disciplines urgently needed by the economy and the society, and to energetically strengthen professional training courses. It is necessary to speed up the reform of higher learning, expand colleges' decision-making power in operation, to gradually change the system by which the state takes care of higher education and "looks after" college students in all respects, and to gradually install the system whereby the state gives guidance and students may choose their own professions. The governments at various levels should, in keeping with economic development, increase input into education, encourage the practice of setting up schools with raised funds and nongovernmental resources through various channels and in various forms, and encourage institutions of higher learning to exploit their academic strengths and run economic entities that integrate education, scientific research, production, and business operations. It is necessary to coordinate, improve, and implement policies for science and technology and education as well as intellectuals and to adopt effective measures to stabilize the mainstay contingent of science and technology and education. Those who are studying or have studied abroad are welcome to work in Guizhou. Proper arrangements will be made for them. They can freely come and go and will be accorded convenience in coming into or leaving the country. Efforts should be made to further foster a fine tendency of respecting knowledge, professionals, and teachers, and valuing education in the society at large and continuously improving intellectuals' working and living conditions.

VI. Strengthen the Building of Spiritual Civilization and the Democracy and Legal System, and Create a Favorable Environment for Reform, Opening Up, and Economic Construction

With reform, opening up, and economic development making headway, it is becoming more and more important to strengthen the building of spiritual civilization and to consistently do two types of work simultaneously and with equal attention to bring the building of spiritual civilization to a new height. It is necessary to further strengthen education in the party's basic line and ideological education in patriotism, collectivism, and socialism; advocate the reform spirit of being enterprising, bold and exploratory, and brave to try new things and break new paths; and conscientiously resist the corrosive influence of decadent ideologies of capitalism and feudalism. It is necessary to strengthen theoretical building, safeguard academic freedom, activate theoretical research, and make philosophy and social sciences flourish. It is necessary to uphold the orientation of "serving the people and socialism" and the principle of "let a hundred flowers blossom and a hundred schools of thought contend," and to make literary and art creations and the cultural market prosper and to develop ethnic minority and folk culture and art. It is necessary to strengthen the work on journalism and

publication and to support the reform of the undertakings in this field. It is necessary to adhere to the integration of mass and competitive sports, build up the people's health, and strive to enhance the level of competitive sports. Work in public health should highlight the three strategic focuses, namely, rural public health, preventive care, and traditional Chinese medicine; improve the three-tier network of medical and preventive care in rural areas; and strive to enhance the quality of rural doctors and public health workers and to reach the primary health care criteria in 70 percent of counties within five years. Governments at various levels should continue to strengthen leadership over the building of spiritual civilization, ameliorate cultural and economic policies, increase input through various channels, and take substantial steps to strengthen the building of hardware [ying jian 4289 0115]. In the period of the Eighth Five-Year Plan, a number of county-level libraries, FM radio stations and substations, miniwatt radio relay stations in townships and towns, and satellite ground receivers with stable power supplies in townships and towns will be set up in a planned way; efforts will be made to complete the outpatient department block of Guizhou Hospital; construction of the provincial ethnic minority cultural palace, provincial science and technology museum, provincial swimming center, and the second batch of rural spiritual civilization activity centers will begin; efforts will be made to redevelop and expand the provincial library and provincial museum; the preparations for the construction of service premises of the radio and television center should be made so that the project can go underway at an early date. It is necessary to continue making a good job of the construction of public libraries, museums, mass cultural centers, cultural centers (or stations), and workers' clubs at various levels.

Bringing democracy into full play is important. The governments at various levels should take the initiative to accept the operational supervision and legal supervision from people's congresses and their standing committees, accept political consultations and democratic supervision from the committees of the CPPCC, and regularly report their work to the people's congresses and apprise the CPPCC committees of the progress of their work. They should attach great importance to the criticisms and suggestions of the people's congress deputies and proposals put forward by the members of CPPC committees and do a good job of the longitudinal supervision over the handling of relevant affairs. It is necessary to cement the connections with various democratic parties, nongovernmental bodies, and patriots with no party affiliation, and to give play to the role of trade unions, the Communist Youth League, women's federations, and other mass organizations. It is necessary to strengthen consultation work, hold adequate discussion on major issues, make a point of listening to the opinions of experts and consultative departments, and gradually establish and improve democratic, scientific decision-making systems and procedures. It is necessary to continue strengthening nationality solidarity, to develop the

relations among nationalities based on equality, unity, and mutual help, and to strive toward prosperity shared by all nationalities. It is necessary to keep up the good job in handling religious affairs, overseas Chinese-related affairs, and Taiwan-related affairs. It is necessary to further strengthen education in national defense, to foster a stronger awareness of the importance of national defense, to strengthen the unity between armed forces (including the police) and governments, and between armed forces (including the police) and civilians, to make a good job of the building of people's armed forces and that of civil air defense and war preparedness, and to support troops in production and business operations and in sustaining themselves through their own work.

It is necessary to further strengthen the building of legal system. In a sense, market economy is legal economy. At present, we should step up efforts to clear away the economic legislations and administrative rules that do not conform to the development of market economy, strive to establish and improve the legal safeguard system for developing market economy, make substantial and effective efforts in regular law-enforcement inspection, and actively push ahead with the process of bringing market economy under the rule of law. Government legal building should be given due attention, and the second five-year education project aimed at universalizing the knowledge of law should be carried out in greater depth. It is necessary to further strengthen and reform work in the public security and judicial sectors, upgrade the political and professional quality of the large numbers of police officers and men, and fortify the functions of the people's democratic dictatorship. It is necessary to continue dealing severe blows to serious criminal offenses and serious economic crimes according to law; to focus on cracking down on gang crimes involving major larceny, severe violence, abduction of women and children, and operations of secret societies that seriously jeopardize social order; to conduct in great depth the campaigns against theft, the "six vices," and pornography; to sternly investigate and ban drug abuse and drug trafficking; to resolutely outlaw prostitution and prostitute patronizing; and to conscientiously solve outstanding public security problems. In the meantime, we should continue making energetic efforts to strengthen the comprehensive maintenance of social order and to implement various measures to this end. It is necessary to consistently integrate special work with the reliance on the masses, conduct on an extensive scale various crime-preventing and crime-fighting activities involving the masses, pay close attention to the work on public order in rural areas, continue to make a good job of railway protection and joint defense, conduct well the activities aimed at fulfilling the requirements on the comprehensive maintenance of social order, and bring about a steady betterment of social order. It is necessary to strengthen the work on transformation-through-labor and education-through-labor, to improve the environment for such operations, to upgrade their quality, to reduce recidivism, and to create a more favorable social

environment for the reform, opening up, and economic development of our province.

It is necessary to further strengthen the building of clean, honest government conduct and dedicated service of government workers. Government leaders and workers at various levels must bear firmly in mind the goal of serving the people, rely on the working class wholeheartedly, adhere to the party's mass line, oppose bureaucracy and formalism, transform government functions effectively, improve their work style, reinforce their sense of service, heighten work efficiency, and make strenuous efforts to carry out various tasks in a substantial way. It is necessary to encourage honesty in performing official duties, industriousness, and thriftiness; to firmly punish corrupt elements; and to continue to strengthen their flesh-and-blood relations with the public. It is necessary to strengthen institutional building and internal management, reinforce the functions of legal supervisory organs and administrative supervisory organs, and install a mechanism of restraint in law-enforcing departments and the posts in direct charge of personnel and financial and material resources which may effectively prevent and check any attempt to seek personal gain by misusing power or unhealthy tendencies of trades and professions. Fellow deputies:

The year 1993 is one in which the new term of government unfolds its work. The proposed development targets are as follows: The gross provincial product will increase over last year's by 9 percent; local revenue will increase by 8.6 percent; the combined total industrial and agricultural output value will increase by 9.5 percent, of which the industrial share will grow by 13 percent and the agricultural share by 4 percent, with the total grain yield reaching 8.5 billion kg, and the tertiary industry will grow by 15 percent. Efforts should be made to ensure the fulfillment of those targets and strive to overfulfill them. As long as we further implement the important talks Comrade Deng Xiaoping made during his inspection tour of southern China and the spirit of the 14th party congress, and the people of all nationalities in the province unite as one with their enthusiasm and creativity being brought into full play, and make sustained and unremitting efforts to do all work well, all the undertakings in our province will certainly grow and flourish, our goals will certainly be accomplished, and new, rich fruits of reform and opening will certainly be reaped.

Sichuan Governor on Township, Town Enterprises

HK2602113193 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 18 Feb 93

[Text] For Sichuan's township and town enterprises to achieve a total output value of 150 billion yuan this year, the provincial township and town enterprises management bureaus and affiliated units called a mobilization meeting yesterday afternoon. Last year, Sichuan's township and town enterprises achieved a total output value of 106.3 billion yuan, an increase of 60.5 percent over

the previous year, achieved the original Eighth Five-Year Plan target of 96.1 billion yuan three years ahead of schedule, earned more than 7 billion yuan in taxes and profits, and the growth rate and efficiency increased side by side. Xiao Yang, provincial deputy party secretary and governor, attended and spoke at the meeting. He said: For Sichuan's township and town enterprises to achieve a total output value of 150 billion yuan, a target set by the provincial CPC committee and provincial government, the most important things are: first, education; second, it is necessary to make step-by-step plans to make enterprises perform well; third, township and town enterprises should have their own key enterprises and should develop high-grade enterprises which play a leading role in the national economy. They should attain high grades and high efficiency to enable 90 million peasants to really get rich. I hope all departments will support township and town enterprises. To support township and town enterprises is to support peasants and to enable them to really get rich.

In his speech, Yang Xizong, chairman of the provincial people's congress, said: Sichuan's township and town enterprises have a heavy task to shoulder this year. I hope everyone will make concerted efforts to accomplish the task.

Wang Shuyun, vice chairman of the provincial people's congress; vice governor Zhang Zhongwei; Chen Zuxiang, vice chairman of the CPPCC provincial committee; and other comrades in charge of various relevant provincial departments attended the mobilization meeting.

Article Defends Human Rights Situation in Tibet

OW2602025593 Lhasa XIZANG RIBAO in Chinese 8 Feb 93 p 3

[Article by Huang Junda (7806 0689 6671): "The Tibetan People Are Enjoying Full Human Rights"]

[Text] As pointed out by the 14th National Party Congress documents: "Human rights issues are something within the realm of a nation's sovereignty. We strongly oppose interference in other nations' internal affairs by using human rights issues." In recent years, some Western countries have been applying pressure on China over the question of human rights; they have been using a number of issues, including human rights in Tibet, to convince the Dalai Lama to carry out activities aimed at splitting the motherland and to meddle in China's internal affairs. Hence, analyzing and understanding, from the perspectives of both theory and practice, whether the Tibetan people enjoy human rights are of important political significance.

It has been the Marxist's view that human rights are products of both historical and social development. Human rights are not abstract but concrete; their contents are subject to development. They will not remain static and unchanged.

Integrating the theory of Marxist human rights with China's reality, the CPC maintains that the most fundamental human rights are the rights to survive and develop. The CPC advocates that when monitoring a nation's human rights conditions, one should not go beyond its historical context or ignore its reality and that in weighing a nation's human rights conditions, one should not apply a pattern or conditions prevalent in a certain country or region. Proceeding from this theory, we maintain that the Tibetan people are enjoying full human rights.

For a deeper analysis of human rights conditions in Tibet today, it is better for us to first understand the conditions in old Tibet. All along, old Tibet had been under a feudal serf social system under the dictatorship of the monks, priests, and nobles and with an integration of politics and religion. The serf owners, accounting for less than 5 percent of Tibet's population, owned all the land in Tibet; the serfs, representing 95 percent of Tibet's population, did not own any land. In old Tibet, which had a social framework based on the ownership of serfs as a means of production, the serfs had no human rights at all. For instance, the "13 Law Codes" and the "16 Law Codes" practiced in Tibet for hundreds of years had divided the people into three categories and nine classes, stipulating unequal legal status among the groups.

After Tibet's peaceful liberation, the central government, under the CPC's leadership, has, through democratic reform, met the inspirations of the Tibetan people by helping millions of serfs demolish the system of owning serfs as a means of production and abolish the system of "integrating politics with religion," offering a realistic and concrete foundation for the Tibetan people in exercising the rights to survive and develop as well as the rights of political and nationality equality. The Tibetan people have been able to achieve the most genuine, wide-ranging human rights, which are unprecedented in history. In particular, the implementation of a series of local laws, regulations, and rules enacted under China's "Constitution" and the "Law on Regional Autonomy of Minority Nationalities," or formulated by the Tibet People's Congress and the People's Government of the Tibet Autonomous Region, has provided important legal protection for the realization of various democratic rights and the development of various local socialist projects.

Marx said: "Rights can never exceed the society's economic structure and the social and cultural development conditioned by the economic structure." Hence, a Marxist's outlook on human rights is not only an explicit service to the vast proletariat, but also, as Comrade Deng Xiaoping put it, involves the questions of "Human rights for how many people? For the majority? The minority? Or the people of the entire nation?" A Marxist will also insist in interpreting human rights theory from the perspective of economic relations—the foundation of human rights. These are our basic starting points and

principles in upholding the correct methodology in studying and solving human rights issues.

Ever since Tibet's peaceful liberation 40 years ago, the Tibetan people's survival and development rights have undergone tremendous changes in both form and content. To help the Tibetan people be their own true masters and better exercise their rights in managing both state and local affairs, the party and the government have all along attached great importance to the training of nationality cadres. Political liberation will certainly promote the development of projects in various fields, including science, technology, and the economy. For the past 40 years and more, Tibet has greatly developed in areas that did not previously exist, such as modern industry, science, and technology. Modern science and technology, apart from transforming the traditional and backward production methods, have constantly changed the people's conduct and concepts, continuously pushing forward Tibet's social, economic, and cultural development. In particular, the development of education in Tibet today has greatly enhanced the cultural quality of the Tibetan people, creating conditions for them to better exercise the rights of regional autonomy of minority nationalities and the realization of nationality prosperity and progress.

North Region

Small, Private Beijing Shops 'Big Business'

HK2502034093 Beijing CHINA DAILY in English 25 Feb 93 p 3

[Article by staff reporter Ma Zhiping: "Beijing's Small Shops Become Big Business"]

[Text] Shopping is expected to become more convenient and comfortable in Beijing with modern markets to be built and economic reforms deepened.

Yearly retail sales of everyday goods are likely to hit 50 billion yuan (\$8.6 billion) in 1993, according to municipal officials who have predicted a big leap forward for the commercial sector in Beijing, which is becoming a hot spot for foreign investments.

Being an important part of this year's reform, more small State-owned shops are planned to be leased out by Beijing's commercial departments to private business people following last year's successful experiments.

Officials from the municipal government say that to help make the shops more competitive, State-owned shops can also be auctioned, annexed or allowed to adopt share-holding systems.

More than 3,000 small shops have been leased out so far, accounting for more than 40 percent of the total State-owned shops in the capital.

Today Beijing has more than 7,000 small stores. These traditional suppliers of huge amounts of daily necessities

were earning small profits or even suffering losses in past decades. Private business people who have taken over the stores since the reforms were introduced last year have to provide their own capital and hand over a certain amount of their profits to the State every year.

As for State-owned large and medium-sized department stores, reforms called "the four decentralizations" now being implemented in big cities around the country, will be further improved.

This "four decentralizations" reform was aimed to give large commercial enterprises an independent say in policy-making on commodity purchasing and price management plus the right to control the income and duties of their staff.

Surveys made by the municipal government show the reform has led to an increased variety of commodities, more reasonable prices, more efficient service and better pay for shop assistants.

Another 5,000 retail and wholesale markets will be built this year; 46 over an area of more than 10,000 square metres.

Beijing's commercial sector saw a big breakthrough last year, with its retail sales hitting 43 billion yuan.

Beijing People's Congress Session Ends

SK2602023293 Beijing BEIJING RIBAO in Chinese 6 Feb 93 p 1

[Excerpts] The eight-day First Session of the 10th Beijing Municipal People's Congress, after successfully fulfilling all scheduled items on the agenda, came to an end at the auditorium of Jingfeng Hotel on the morning of 5 February.

Chen Xitong, executive chairman of the congress session and permanent member of the congress presidium, presided over the session held on the morning of 5 February. Taking seats on the front row of the rostrum were executive chairmen of the congress, including Li Ximing, Zhao Pengfei, Li Qiyan, Wang Jialiu, Li Zhijian, Chen Guangwen, Ma Yaoji, Lu Guang, Xia Qinlin, Xing Jun, Tao Dayong, Rong Yi, Huang Hui, Han Guochen, Qiang Wei, Pu Huaiying, and Xiong Yumei.

The congress session first announced the results of all elections, which included the namelists of Beijing municipal deputies to the Eighth National People's Congress elected at the first session of the tenth municipal people's congress, members of the tenth municipal people's congress standing committee, mayor and vice mayors, president of the municipal higher people's court and chief procurator of the municipal people's procuratorate. [passage omitted]

Comrade Chen Xitong gave a closing address. He said: Guided by the spirit of the 14th CPC Congress, all

deputies attending this session have seriously and conscientiously performed their sacred duties and responsibilities prescribed by the Constitution and the law with an attitude of holding full responsibility to the people and serving as masters of the state, and have given full play to democracy. A vivid and lively atmosphere has permeated throughout the session. All deputies have aired their own views and enabled the session to realistically become one in which the participants have emancipated minds, united as one, sought truth from facts and advanced in a pioneering spirit. Currently, the situations at home and abroad are very favorable. We must seize this rare opportunity to seek great development, make concerted and earnest efforts to carry out practical work, deepen reform, expand the degree of opening up, resolutely and comprehensively implement the party's basic line, conscientiously implement all resolutions made at the session, and strive to realize the objectives defined in the 10-year program three years ahead of schedule and to push economic construction and other undertakings in the capital to a new stage at a quicker rate and in a better manner. Chen Xitong said: During this change of office term, some veteran comrades of noble character and high prestige who have been loyal to the party and the people's cause, and have made major contributions to building the capital have stepped down. Let us extend sincere respect and heartfelt thanks to them.

In line with the temporary motions raised by the presidium meetings and the demands put forward by deputies, the newly elected chairman and vice chairmen of the municipal people's congress standing committee, the secretaries general, and the mayor and vice mayors mounted the rostrum to meet the deputies. Mayor Li Qiyan gave a speech on behalf of the newly elected mayor and vice majors. [passage omitted]

The congress session came to a successful end amid the majestic playing of the national anthem.

Beijing Starts Traffic Campaign in Olympics Bid

OW2602105793 Beijing XINHUA in English 0730 GMT 26 Feb 93

[Text] Beijing, February 26 (XINHUA)—Although Beijing has the lowest traffic accident rate of China's cities, it is determined to do better and enhance its prospects of getting the 2000 Olympic Games.

Beijing now has 610,000 motor vehicles, including 33,000 taxis, and 7.26 million bikes and tricycles. In addition, more than 40,000 motor vehicles arrive daily from other centers.

Last year, Beijing's traffic accident death rate was 8.6 people per 10,000 motor vehicles, much lower than the national average of 31.3 people per 10,000 motor vehicles.

To reduce the death rate and improve traffic conditions, the municipal administration has started a traffic management and education campaign.

The media in the Chinese capital highlights traffic violations, and the municipal traffic management department also gets help from the city's enterprises, which send out about 10,000 people daily to reinforce the traffic police.

Hebei Secretary Addresses Cangzhou Party Rally
SK2602045093 Shijiazhuang HEBEI RIBAO in Chinese 7 Feb 93 pp 1-2

[“Excerpts” of speech by Cheng Weigao, secretary of the Hebei Provincial CPC Committee, at the Cangzhou prefectural rally of party and government cadres at or above the township level that was held during his inspection in Cangzhou Prefecture 4-6 February: “Strengthen the Degree of Reform, Speed Up the Opening Up, and Accelerate the Building of Cangzhou Into an Economically Powerful Prefecture”]

[Text] Just after the Spring Festival, the Cangzhou Prefectural party committee and administrative office cosponsored the prefectural rally of party and government cadres at or above the township level to sum up the 1992 work and arrange the 1993 work. This is a good meeting. It is not only a meeting to sum up experiences, commend the advanced, and mobilize the fighting will of the people but also a mobilization meeting to learn from the advanced, find out where it lags behind, and further speed up the pace of economic construction. On behalf of the provincial party committee and government, I will take this opportunity to ask the participants who are diligently working in the forefront line of reform, opening up, and economic construction to pass my heartfelt regards to the vast number of party members, cadres, workers, peasants, and intellectuals across the prefecture. I also wish that all comrades will make consistent efforts to make more outstanding and greater achievements in the new year.

The year 1993 is a year to comprehensively implement the 14th CPC Congress guidelines and a key year to implement the Eighth Five-Year Plan. In 1993, we should work under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line of “one center and two basic points;” positively, comprehensively, and correctly implement the 14th CPC Congress guidelines; grasp favorable opportunities; work in a unified manner; focus on building the socialist market economic system; strengthen the degree of reform; speed up the pace of opening up; strengthen the quality of the economic work; improve work efficiency; and promote, in a faster and better way, the development of the economic construction and all undertakings.

1. The Cangzhou Prefecture Work Done in 1992 Was Good, Fruitful, and of Special Characteristics

The provincial party committee and government are satisfied at Cangzhou Prefecture's work done in 1992. Over the past year, the prefecture made appropriate progress in reform, opening up, economic construction,

party building, and spiritual civilization. Simultaneously, it also made noticeable achievements in economic construction, construction of key projects, investment in fixed assets, import of foreign capital and technology, development of town and township enterprises, setup of markets and the rural service system, and development of vocational and technical education. By constantly stressing the necessity to grasp party building with the focus on economic construction, to promote economic development through party building, and to firmly grasp the economic construction, the prefecture's leading bodies joined the main battlefield of economic construction. It further strengthened the key role of economic construction by carrying out the method of assessing the party and government leadings' performances in economic construction. By constantly stressing the necessity to strengthen the unity between the party and the government and the unity of cadres contingents, the prefecture preliminarily formed a good situation in which the party and the government were unified with each other, the people from higher levels downward were of one heart, the government functioned well, and the people enjoyed peace and made concerted efforts. All this promotes the smooth progress of the work in various spheres. Thanks to the consistent emphasis on doing solid work and selecting “championship winners” at playground; it not only listened to cadres' words but also observed their behavior, paid attention to their work efficiency, and believed their achievements in the course of selecting and promoting cadres. All this effectively mobilizes the vast number of cadres' enthusiasm of doing solid work and pioneering undertakings. So, the practice in the past year showed that the prefecture prominently took the economic construction as a key link; the leading bodies at various levels were unified with one another, were full of fighting will, and had solid work style; and the work in various spheres are fruitful and of special characteristics. We hope that the party and government leaders and the cadres at various levels in the prefecture should sum up the work done in the past year, carry forward achievements, overcome the shortcomings, keep modest and prudent, guard against arrogance, and strive to make greater achievements in the new year.

2. We Should Fully Understand the Strategic Position of Cangzhou Prefecture and Enhance Our Sense of Responsibility and Urgency in Accelerating Its Development

Cangzhou is at the fore of Hebei's opening up to the outside world. Accelerating development will not only help its own economic prosperity and strength but will also promote Hebei's opening to the outside world and push Hebei's economy up to a new stage. In particular, to change the layout of its productive forces, the country opened up a new passageway for the coal produced in west China to be transported to the east and decided to build the Shuoxian-Huanghua Port Railway and the extra-large project of Huanghua Port which will last into the next century. These projects will open the most convenient and shortest way to the sea not only for

Cangzhou but also for Hebei Province. This will have important significance in promoting the economic development of the entire province, especially the central and southern areas. Therefore, judging from every angle, Cangzhou (including the prefecture and the city) occupies a very important strategic position in the province and even the entire country. Cangzhou will be a locality with plenty of accomplishments in the 1990's and will rise in the next century to become another of China's large ports for energy export, another economic and trade center and material distribution center of Hebei and the central and western parts of China, and another promising economically strong area in Bohai Bay.

Because Cangzhou is such an important locality, the provincial party committee and government should regard it as a strategic priority in Hebei's reform, opening up, and economic development in the 1990's and assist and support it from various fields. Cangzhou Prefecture and Cangzhou city should fully understand their historical missions and major responsibilities and be determined to achieve success in the construction the railway and the port, in the construction of the city area (economic development zone) of the port, in their reform and opening up, and in their urban and rural economies to accelerate their economic construction as a whole. However, we should note that despite its great economic development since the third plenary session of the 11th party Central Committee, Cangzhou Prefecture, generally speaking, still has a very weak foundation and faces very arduous tasks in the endeavors to accelerate its economic construction and build itself into an economically strong area. The key to whether Cangzhou Prefecture can accelerate economic construction and build itself into an economically strong area lies in its cadres, who should further emancipate the mind, update their concepts, and have the ability to use and fully develop its advantages. Although its high-fluorine-content water, saline-alkali soil, and serious water shortage will restrict its economic development to a certain extent, Cangzhou Prefecture still has many favorable conditions for economic development. Its location close to Beijing and Tianjin, neighboring Shandong, and facing the sea make it very easy for Cangzhou to invite investment from abroad and establish ties at home; the Beijing-Shanghai Railway and the Jingda Highway running from south to north and the Cangzhou-Baoding and Cangzhou-Shijiazhuang Highways running from east to west provide Cangzhou with very convenient transportation conditions; Cangzhou Prefecture possesses Huabei and Dagang Oil Fields and an abundance of marine resources, grain, cotton, jujube, pear, and other agricultural resources, and land and manpower resources; the construction of the Shuxian-Huanghua Port Railway, Beijing-Jiulong Railway, Beijing-Shanghai Express Railway, and Huanghua Port will promote the development of the basic industries, high and new technology, land development, and real estate development of the prefecture; and Cangzhou Prefecture has laid a fairly good foundation for township industries, begun the

development of the three types of foreign-funded enterprises, and established a contingent of cadres who know the economy and are proficient in management. Therefore, despite its many difficulties in economic development, it has real and potentially favorable conditions, which are the major factors. The key lies in whether we can truly emancipate the mind, seize the opportunity, concentrate efforts on making full use of these favorable conditions, and conscientiously carry out the following two tasks: 1) opening to the outside world, and 2) using Beijing and Tianjin to our advantage to promote reform, opening up, and economic construction. Judging from this point, the cadres of Cangzhou Prefecture shoulder very important responsibilities.

3. We Should Grasp the Highway and Harbor Construction of Huanghua by Regarding It As a Strategic Emphasis of Making Cangzhou City and Hebei Province Prosperous and As a Strategic Emphasis of Having a Bearing on the Whole Situation of the Country and Accelerate the Opening Up and Development in the Areas Along the Bohai Coast

Doing a good job in carrying out the transcentury extra-large project set by the state with regard to building Shuo-Gang railway and Huanghua harbor represents an unshirkable duty not only taken by the people throughout the province but also by the people of Cangzhou. This important project has a bearing on the whole situation of the state and the province. We can only make the success of it and by no means should we spoil it. We must foster the concept of whole situation and adopt every possible way and means to concentrate the forces of various social circles on making active contributions to building the key project with high quality and efficiency. All items need to be supplied by localities for the construction of the railway and the harbor should be fully provided without fail and no one is allowed to dispute over trifles in this regard. All auxiliary projects that need to be built by localities should be resolutely fulfilled in line with the fixed quality and quantity and brook no delay. On the premise of ensuring the construction of the railway and the harbor, we should firmly seize the opportunity of building the railway and the harbor and carry out the construction and open the harbor to the outside world simultaneously. We should have the construction promote the opening up and have the opening up bring along the construction so as to accelerate the opening up as much as possible. A good job should be done at present in emphatically grasping the following two key tasks: First, efforts should be made to conduct combination between the construction of the railway and the harbor and to rapidly formulate a plan for accelerating the opening up and construction, which should include the harbor construction plan. While coordinating with the state in building coal docks, efforts should be made to build local-operated 10,000-class sundry-goods docks; oil docks; and container docks. It should also include the plan for the construction of harbor city. In line with the international conventions, we should design in a rational way the zones of foreign investments; the zones of industrial development;

bonded zones; the zones of banking affairs; trade zones; and the zones of residential areas. It should also include the plan for developing industries and trades along the harbor, such as processing industry, storage and transport business, business and trade firms, real estate business, living service centers, power industry, chemical industry, ship-building industry, and high- and new-tech industries. We should strive to complete the formulation and appraisal of plans within March this year. Second, strenuous efforts should be made to vigorously conduct propaganda and to extensively invite business. As soon as a plan has been fixed, we should concentrate our efforts on successfully "leveling the ground for construction and providing the supplies of running water, electricity, gas, and telecommunications" on the one hand to accelerate the starting of infrastructures; and extensively carry out propaganda throughout the country and the world through mass media and various liaison channels on the other hand to expand the harbor's influence and upgrade its exposure. We should enable personages at home and abroad to witness the obvious and practical strong points and broad prospect in the prefecture so as to attract them to invest their money in development here.

4. We Should Bring Into Full Play and Protect the Enthusiasm of Peasants in Production, Stably Increase the Output of Grains and Cotton, Optimize the Structure, Upgrade the Economic Results, and Lay a Solid Agricultural Foundation

The agricultural foundation of Cangzhou is still quite weak and also cannot withstand the hit of serious natural disasters. The prefecture still lack the basic conditions of stabilizing agriculture. Under such a situation, we should more firmly foster the idea of regarding agriculture as a foundation and pay great attention to grasping agriculture. In grasping the economy at present, we should pay much attention to developing secondary and tertiary industries. Such attention is of course right because secondary and tertiary industries are weak links. If the secondary and tertiary industries fail to achieve rapid development, it is difficult for the entire prefecture to enhance the practical strength of its economy and it will have no material foundation for improving or developing agriculture. However, the development of secondary and tertiary industries does not mean that we may relax the agricultural production. On the contrary, on the premise of ensuring the basic position of agriculture, the stable increase of agriculture, and the steady improvement of agricultural productive conditions, we should actively develop secondary and tertiary industries. If we fail to stabilize agriculture, if we have caused problems in agriculture, and if the peasants' income has declined on a large scale, the whole situation of economic and social development will be seriously and adversely affected and secondary and tertiary industries will not achieve rapid development. Therefore, agriculture is always the foundation of the national economy; the foundation of developing secondary and tertiary industries; the foundation of realizing economic benign

cycle and social stability; and the foundation of establishing or improving the socialist market economic systems. At any rate, the basic position of agriculture cannot be changed and by no means should we relax agriculture no matter the year has been plagued with disasters or it has had a bumper harvest.

To beef up agriculture, we should mainly depend on peasants and mobilize their enthusiasm in production. Early this year, the CPC Central Committee and the State Council sharply set forth the issue concerning peasants' interests and burdens. From the provincewide inspection conducted at the preceding stage, we can see that there was really a universal and conspicuous problem in rural areas, that is, infringing upon the interests of peasants and dampening their enthusiasm in production. Major indicators were: randomly inventing all kinds of names to add burdens to peasants; running some social undertakings in advance and too hastily regardless peasants' actual capacity; refusing to give preferential policies to peasants that should be given; failing to give, on schedule, peasants the materials that were linked with the contract purchase of grain; and some disaster-affected masses delivering excessive grain which made their lives more difficult. These problems have already seriously dampened peasants' enthusiasm in production and affected the feeling of the masses and the stability of the society. Before Spring Festival, various localities did a lot of jobs and investigated, corrected, and handled a number of problems in line with the instructions of the CPC Central Committee and the State Council. It must be noted, however, that problems have not all been solved thoroughly. In this aspect, various localities should never indulge in formalism, nor should they do the work in a hasty and perfunctory manner. The provincial party committee and the provincial government have pledged to guard against bureaucratism and grasp this work in a conscientious manner from beginning to end. We hope that party committees and governments at all levels will seriously and conscientiously approach this issue. They must investigate problems conscientiously, clear them up thoroughly, and correct them resolutely. They should formulate methods and measures to solve problems and solve them one by one. This year, the provincial party committee and the provincial government should adopt a series of effective measures to truly grasp the major event of lightening peasants' burdens and protecting peasants' enthusiasm in production.

Along with the development of the socialist market economy, the direction of market will certainly affect agricultural production. It is a major question facing us that how we should readjust the agricultural structure in line with the local agricultural production situation, and how we should develop agriculture, forestry, animal husbandry, sideline production, and fishery in an all-round manner and develop high-output, fine-quality, and high-efficient agriculture. We much agree to the idea, set forth by the Cangzhou Prefectural Party Committee and the prefectoral administrative office, of "stabilizing grain production, increasing cotton production,

vigorously developing fruit production, and invigorating fishery and animal husbandry." The reason is that this idea not only conforms to the country's demand of the overall regulation and control, but also conforms to market demands, still also manifests the superiority of Cangzhou Prefecture. We should first emphasize the stabilization of grain production. So far as Cangzhou is concerned, this "foundation of the foundation" should not only be stabilized but also be improved in quality and variety. Then, we should emphasize the increase of cotton output. This is also necessary, because Cangzhou Prefecture is a cotton concentrative production area. At present, when some localities in the province are complaining about the difficulties in cotton growing, Cangzhou Prefecture has decided to increase the cotton growing acreage to 2.5 million mu, 110,000 mu more than the record year of 1984. In my opinion, this is a bold policy decision. I hope it will be carried out conscientiously. Vigorously developing fruit production and invigorating fishery and animal husbandry on the prerequisite of ensuring the stable increase in grain and cotton is a correct orientation to readjust agricultural structure based on market demand and the superiority of Cangzhou Prefecture. Making full use of the natural resources in land, manpower, straw, beaches, and water surface to develop the production of jujubes, pears, fish, and cattle is of extremely great significance for the entire prefecture to develop market-oriented agriculture and foreign exchange-earning agriculture and to increase peasants' income by a large margin. Cotton, jujubes, pears, marine products, and live cattle should become the competitive products of Cangzhou Prefecture as a result of developing fine-quality, high-output, and high-efficiency agriculture.

To beef up Cangzhou's agriculture, it is important to resolutely and unswervingly improve the conditions for agriculture production. The weak material and technology foundation for agriculture and the backward production conditions constitute the universal problem of the province, and this problem is even more conspicuous in Cangzhou Prefecture. Of the 10 million mu of cultivated land in Cangzhou Prefecture, more than 70 percent is of low- or medium-yield. Failing to change this situation, there will be no guarantee for developing the "high-output, high-efficiency, and fine-quality" agriculture. Therefore, party committees and governments at all levels must regard it as an strategic task during the 1990's to build water conservancy projects and transforming low- and medium-yield farmland. The state, collectives, and peasants should make concerted efforts to raise funds from diverse fields and increase input in diverse channels to constantly improve the agricultural production conditions.

5. We Should Regard the Vigorous Development and Enhancement of Township and Town Enterprises as the Key Link to Make the Rural Economy Flourishing and to Make Peasants Prosperous

Now, some comrades worry that whether the vigorous development of township and town enterprises will

affect the development of agriculture. Some other comrades suspect that whether the slackness in agriculture in some localities is a result of grasping township and town enterprises. We think it is wrong and harmful to set the development of agriculture against the development of township and town enterprises. Development of agriculture and development of township and town enterprises supplement each other, far from being contradictory. Agriculture is the mother's body of township and town enterprises, and such enterprises built themselves up by relying on agricultural accumulation. After the development of township and town enterprises, the implementation of the policy of "operating rural industrial enterprises to support and build agriculture" will certainly promote the development of agriculture. Many facts have fully proven that wherever township and town enterprises develop rapidly, its input in agriculture is more and its agriculture develops well; and wherever township and town enterprises develop slowly, its agricultural production conditions are poor, and peasants' burdens are heavy. Therefore, only by organically combining the two and giving consideration to both of them will they promote and complement each other. If leaders of our counties and townships really want to achieve agricultural modernization and make peasants prosperous, they should firmly and unswervingly develop township and town enterprises.

We should not only vigorously develop township and town enterprises but also strive to improve their quality. We should continue to give play to the flexible mechanism of township and town enterprises in the fields of management, distribution, and employment to develop them rapidly and better. On the one hand, we should encourage townships, villages, households and combined households to run even more township and town enterprises with private or foreign funds. Particularly in the townships and villages where township and town enterprises are weak, we should encourage the persons with good skills and with good ability of management to develop individual and private enterprises. On the other hand, we should pay attention to helping existing township and town enterprises master information, depend on science and technology, develop products, strengthen and improve management, develop intensive management, expand scale, improve quality, enhance level, develop high-tech products, the products with high additional value, and the products oriented to export to earn foreign exchange, and to enhance their competitiveness on market. Township and town enterprises should also, with the large-scale economy as the direction, boldly import foreign capital and foreign technology and enhance their stratum of technology and the level of scale. Such enterprises can also organize enterprise groups to make up each other's deficiencies with one's advantages and to raise the comprehensive production capacity. Some townships and villages should take advantage of their respective superiority and characteristics to develop their own specialized production in order to form even more specialized townships and villages. Along with the great development of township

and town enterprises, we should pay attention to optimizing township and town enterprises, set up more centers in the country fair markets and major communications lines to promote the building of small industrial districts in rural areas.

Shortage of capital is the most prominent problem in the development of town and township enterprises. To solve this problem, we should continue to bring the specialized banks' role into play; widen our thinking; and strive to increase the input to town and township enterprises by establishing, on a trial basis, investment and interregional capital circulation companies for town and township enterprises, organizing and establishing guarantee groups for enterprises, setting up the rural cooperative funds, and bringing in capital outside the prefecture and the province. The prefectoral party committee and the prefectoral administrative office urged to ensure that "all workers share stocks" and to vigorously develop shareholding cooperative enterprises. This is a key measure to strengthen enterprises' vitality and collect capital from society. Hejian city has gained successful experiences in this regard. So, we should conscientiously sum up and vigorously popularize these experiences. The prefecture should ensure that more than 50 percent of town and township collective enterprises carry out the shareholding cooperative system by the end of this year and all of them carry out the system by the end of next year.

Up to now, town and township enterprises have become a big pillar of the rural economy. It is not only a matter relating to agriculture but also a key sector of the economy. Town and township enterprises are independent from agriculture just because of involving the primary, secondary, and tertiary industries and because only a small number of town and township enterprises develop themselves in reliance on agricultural resources. Therefore, the comrades in charge of agriculture are not suitable to work for town and township enterprises. So, they must be independent. Counties, cities, towns, and townships should define special leading cadres to grasp this work. Simultaneously, there must be special contingents and organizational guarantee for studying the issues of information, projects, technology, and skilled persons. Only by so doing will we better promote the development of town and township enterprises.

6. We Should Pay High Attention to Developing Science and Technology and Education and Ensure to Really Shift the Focus of Economic Construction on the Orbit of Relying on Scientific and Technological Progress and Improving the Quality of Laborers

To speed up the development pace and rejuvenate the economy, we must pay full attention to rejuvenating science and education. The key to rejuvenating science and technology is to have the cadres at various levels understand that "science and technology are the first productive forces and to have the economic departments understand the necessity to firmly rely on science and technology to develop the economy. If the leaders at

various levels do not pay attention to science and technology or the economic departments do not pay attention to relying on science and technology, we can do nothing to promote scientific and technological progress. The year 1993 is the year to promote the province's scientific and technological progress. So, we should exert efforts to promote the progress of this campaign. At the time of striving to upgrade the vast number of cadres and people's understanding that "science and technology are the first productive forces," the prefecture should proceed from its reality to work out plans, define targets, implement measures, and do solid work. Cangzhou Prefecture should bring into full play the advantages of being close to Beijing and Tianjin and the advantage of opening to the outside world and try every possible means to import high-tech, high additional value, foreign exchange-earning, and readily marketable products. According to the demands of primary, secondary, and tertiary industries for promoting scientific and technological progress, we should select a group of key scientific and technological research items, scientific and technological popularization items, product development items, and technological transformation items; pay firm attention to developing them; and ensure to really turn a group of scientific research findings into real productive forces. Key enterprises, including key town and township enterprises, should set up their own technological and product development organizations. The majority of state-owned key enterprises and key town and township enterprises should establish cooperation ties with universities and scientific research units to cooperatively develop new technologies and new products. We should further establish and perfect the advanced technology popularization and service system among various levels; mobilize all social forces to popularize advanced scientific and technological achievements in grain, cotton, fruit, fishery, and livestock production. I hope that you will make some real achievements in these five aspects.

We should attach importance to personnel if we are to promote the economy. Prefectures, cities, counties, townships, and enterprises should attach great importance to the training and import of personnel and make the best use of their personnel available. They should attach importance not only to scientific and technical personnel but also to those proficient in business and management who are capable of leading or running enterprises. We should spare no money in training personnel. We should open our door wide to bring in personnel extensively from all over the country and the world. We should fully boost and make use of the enthusiasm of the personnel of various specialties and mobilize local people, intellectuals, foreigners, and veteran cadres simultaneously to fully develop their role. Those who have made outstanding contributions should be awarded generously with daily necessities, houses, and cars. We must make the good practice of respecting knowledge and personnel prevail in society to provide a good environment for the personnel of various specialties to grow and develop their role.

Based on the characteristics of Cangzhou Prefecture, today I have emphasized four aspects of work—construction of the railway and the port, agricultural production, township enterprises, and science and technology and education—concerning reform and development. In my opinion, when Cangzhou Prefecture pays attention to these four aspects of work in its endeavors of reform and construction, it has grasped the key to developing Cangzhou and building it into an economically strong area. To succeed in these four aspects of work, it is, of course, necessary for Cangzhou to conduct supporting reform in various fields in line with the requirement of the socialist market economy. It should achieve success in the reform to transform the operating mechanism of state-owned enterprises, the reform to change government functions, streamline organizations, divert personnel, and delegate power to lower levels, the reform of the social security system, the reform to develop the distribution system, the great development of the tertiary industry, and the faster construction of the markets, especially the markets for the essential elements of production.

7. We Should Judge Cadres Based on Their Party Spirit, Use Them Based on Their Performance, and Establish a Good Practice of Doing Practical Work and Seeking Truth From Facts in the Contingent of Cadres

We have discussed many things and discussed them well, but only few of them have been put into practice successfully. Practice has become a most conspicuous difficulty in the work for leaders at all levels. A correct policy decision, of course, is the prerequisite for a success in work. However, if we fail to put it into practice, the policy decision is nothing no matter how correct it is. When cadres and the masses criticize our formalism, they do not necessarily mean some leading cadres' enthusiasm for cutting ribbons, attending parties, writing inscriptions and articles, and other things that make a show. They criticize mainly the practice of some comrades who talk much but do little, who are enthusiastic when talking but slack at work, and whose work sounds good but is not effective. Such a practice has become a common failing of many leading cadres. The reasons for this practice are very complicated. However, the most important one is some cadres' lack of painstaking spirit in thinking, work, and work styles and lack of the spirit to make unremitting efforts to resolve many complicated issues and contractions until success is achieved. Therefore, making earnest efforts to do practical work is not merely an issue concerning work methods. The essence of the problem lies in the sense of responsibility, the enterprising spirit, and the lack of good mental attitude and painstaking way of thinking.

We should truly foster good morale in the cadres' rank with regard to truly grasping work, doing practical deeds in their work, seeking truth from facts, and dealing with matters relating to their work. What is most important is that in promoting and employing cadres, we should uphold the party spirit in appraising them and employ them in line with their actual achievements. We should

resolutely prevent or eliminate the malpractices of employment. Some localities and units have upheld the party's spirit in employing their personnel; have been impartial in employment; and have resolutely selected or supported cadres who have a firm political stand, know well the economy, and have scored marked achievements. Therefore, the morale of their cadres' rank is upright and their economic construction is rapid. They are also easy to produce cadres. However, some localities and units have appointed personnel by favoritism and in line with their obedience, personal relationship, and social background, as well as by giving preferential consideration. Their malpractices of employing personnel are prominent. They have not only seriously affected the economic construction and damaged the cadres' enthusiasm, but also have divorced from the majority of cadres and the masses and aroused the complaint of cadres and the masses. The fundamental reasons why some cadres are trying utmost to ask for official posts, to buy their official posts, to struggle for official posts, and to topple the official posts in order to gain some are that our leading cadres and organizational departments have actually committed malpractices in employing their personnel. They can obtain what they have asked for and what they have tried to buy and they can succeed in what they have struggled against and what they have tried to topple. If we let such malpractices become increasingly serious, they will certainly bring about the worst morale to cadres with regard to establishing personal relation without working, seeking back door and backing in doing things, and indulging in bribes. Therefore, we should direct cadres to truly grasp their work, to do practical deeds in their work, to do matters relating to their work, and to pioneer the road of advance. What is most important is that a good job should be done in dealing with the guiding direction of personnel affairs, that we should truly achieve in appraising the employment in line with the party's spirit and their achievements, and that by no means should we commit malpractices in appointing personnel.

8. We Should Build Party Committees at All Levels Into the Strong Headquarters of Leading the Economic Construction

The party's leading and core roles in the socialist undertakings of various categories have embodied the work of local party committees and particularly the work of party committees at county and township levels. What is most important or prominent is that a good job should be done in organizing or leading the economic work so as to enable themselves to become the strong headquarters of directing the economic construction. Having the party committee grasp the economy represents the demand set in the party's basic line. It does not mean that "we have cultivated other's farmland and have had our fields waste." Facts have fully shown that localities whose party committee knows well the economy and has grasped the economy will be strong in their joint forces of economic construction and achieve rapid development.

When attending to economic work, party committees at all levels should have the ability to organize and coordinate the forces from all quarters and rally their efforts in the economy. First, party committees and governments should take coordinated steps. Governments should respect the leadership of party committees, ask for instructions and report work frequently, and submit all important issues concerning economic construction to party committees for discussions and decisions. Party committees should respect and support governments' commanding power in the economic work on the forefront and fully give heed to and respect the opinions of the pertinent comrades of governments concerning the selection and use of administrative cadres so that the departments which take charge of work will also have a say in personnel. Second, we should organize and coordinate people's congresses, committees of the Chinese People's Political Consultative Conference [CPPCC], discipline inspection commissions, and other major leading bodies to attend to economic work together. Based on their assignments and responsibilities, people's congresses, CPPCC committees, and discipline inspection commissions should firmly focus on local economic construction to perform their work successfully. They may also make use of their advantages to properly participate in some specific work of economic construction so as to directly participate in economic construction. Third, we should attach importance to the coordination between different departments and different regions. Party committees and governments should improve the coordination between their subordinating functional departments so that these departments will firmly focus on economic construction, which is the central task, to perform their work successfully. Regarding the department leaders who consider merely their own interests in defiance of the public interests, who affect the public interests, and who pass the buck, we should have the courage to criticize and educate them. Those who do not change despite the repeated education should be dismissed. Regarding the departments under our direct leadership or under dual leadership, we should respect and support their efforts to implement the policies and regulations laid down by relevant higher authorities and also guide them to suggest ways and means, perform their responsibilities, and make more contributions to local economic development. Only in this way can we achieve unity and coordination between party and government departments, between higher and lower levels, between different departments, and between different regions; mobilize and organize the forces from all quarters; and establish a power force for accelerating economic development.

When attending to economic construction, party committees should avoid attending to merely one field of work. They should always adhere to the principle of attending to the two civilizations simultaneously and be strong in both of them. To strengthen leadership over economic work, party committees should have the ability for and attach importance to study. They should

take the lead in studying and applying well Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and continuously improve their theoretical quality. They should take the lead in studying economic, vocational, and scientific and technological knowledge to turn themselves into adepts in leading economic work. Mao Zedong pointed out long ago that those who did not attach importance to the study of production should not be regarded as good leaders. Comrades, let us conscientiously intensify study of our political and vocational work and improve the quality of our leading bodies to a new level to make new contributions to creating a new situation in reform, opening up, an the modernization program and to building Hebei into an economically strong province.

Hebei Discusses Propaganda, Ideological Work

SK2602020993 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 25 Feb 93

[Excerpt] The recent provincial meeting of propaganda department directors pointed out: Propaganda and ideological work should be vigorously and practically carried out under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics by closely aiming at developing socialist market economy and building Hebei into an economically strong province.

Cheng Weigao, secretary of the provincial party committee and governor of the province, and Lu Chuanzan, deputy secretary of the provincial party committee, spoke at the meeting.

In his speech, Cheng Weigao pointed out: In developing the socialist market economy and accelerating the pace of economic construction, we cannot deviate from propaganda and ideological work. We should further strengthen and improve propaganda and ideological work around the goal of accelerating economic construction to create a strong atmosphere to develop the socialist market economy, to create a public opinion of being even bolder in doing major affairs and making even bigger step, and to open up road for all the people in the province to further emancipate their minds and renew their ideas. We should mobilize cadres and the masses to voluntarily participate in the practice of reform and to build bridges and pave roads for opening and pushing Hebei to the outside world. In economic construction, we should give prominence to optimizing structure and improving efficiency, should provide the whole society with even more economic informations through the mass media, should correctly propagate Hebei to foster a fine image among all the people of the country, and should vigorously create a healthy and civilized social image of Hebei. [passage omitted]

Inner Mongolians Shifting to Nonagriculture

SK2602053793 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 25 Feb 93

[Text] Almost 800,000 peasants throughout the autonomous region have left their farmland and engaged in nonagricultural production. According to the recent statistical data, 787,000 peasants across the region engaged in nonagricultural production last year, a 117,000 persons increase over 1991. The serial production engaged in by them reaches 12 categories. The number of peasants who have engaged in industrial and construction production reached 250,000 and that of those who have engaged in the production of transportation, commerce, and services, reached 400,000. According to the estimation, the number of peasants who will engage in the production of tertiary industry will increase on a large scale along with the opening up and economic development. The experts pointed out that their professional changes are very favorable for rural areas to readjust their production structure, to deal with their labor surplus, and to accelerate their economic prosperity.

Tianjin Police 'Clear Up' Illegal Labor Market

SK2602053393 Tianjin People's Radio in Mandarin 2300 GMT 25 Feb 93

[Text] The public security sub-bureau of Hexi district, jointly with the antiriot police force of the municipal public security bureau, organized almost 100 cadres and policemen to clear up the illegal labor market under the Balitai Overpass. A large number of peasants from Henan, Anhui, and Sichuan have blindly come to Tianjin after the Spring Festival. They often get together under the overpass to seek jobs and wait for their employers. Thus, an illegal labor market has spontaneously taken shape. The number of small groups of these peasants reaches 100 and that of large groups reaches 1,000. They dwelled under the overpass and loitered along the main streets in groups. All of these have adversely affected the traffic. During their stay, few unlawful elements engaged in the activities of theft, hold-ups, and hooliganism. They seriously disturbed the managerial order of public security, traffic, and city appearance along the middle ring road, the best tourist attraction of the municipality. Residents and units in this area have lodged strong complaints and asked in succession the relevant departments to ban their activities. During their clear-up operation, the public security section of the Hexi district public security subbureau and the cadres and policemen of the Dongfengli police booth arrested an unlawful element of theft on the spot. In order to consolidate the effect, the clear-up work will last for a period of time. The Hexi district public security subbureau will also strengthen its patrol and management over this area.

Tianjin Foreign Investment Increases in Jan

SK2502105893 Tianjin TIANJIN RIBAO in Chinese 9 Feb 93 p 1

[Text] In January, Tianjin effected a large-scale increase in utilization of foreign investment. It approved 239 foreign-invested enterprises, with the contracted investment reaching \$290 million. Of this, the foreign investment amounted to \$160 million.

Tianjin Economic Zone Brings in Foreign Funds

SK2502043093 Tianjin People's Radio in Mandarin 2300 GMT 24 Feb 93

[Summary] Since the beginning of 1993, more than 100 Chinese and foreign businessmen have successively visited the Jixian small-sized economic development zone to conduct inspections and hold trade talks. So far, Jixian County has approved to establish 33 enterprises and brought in more than 120 million yuan worth of foreign capital, exceeding the total figure in the past decades. One third of the 33 enterprises focus on developing and using local natural resources. Of them, the investment in (Jiatai) glazed tile corporation totals \$11 million. It is the largest joint investment enterprise in the zone.

This zone is the first small-sized development zone in the suburban county as defined by the municipality last May. The county party committee and government clearly defined that the county must not put undue emphasis on reducing and conceding benefits in attracting businessmen but should fully rely on its special advantages, such as mineral products, fruit products, and tourist resources, to attract businessmen.

Northeast Region**Governor Presents Heilongjiang Work Report**

SK2402065393 Harbin HEILONGJIANG RIBAO in Chinese 19 Jan 93 pp 1, 2, 3

[Heilongjiang Province's government work report delivered by Shao Qihui, governor of Heilongjiang Province, at the first session of the eighth provincial people's congress on 11 January]

[Text] Deputies:

On behalf of the provincial people's government, I would like to present a government work report to this session for discussion.

I. Heilongjiang Achieves Notable Results in Various Fields of Work in the Past Five Years

The five years from 1988 to 1992 were a period in which Heilongjiang achieved significant progress in reform, opening up, economic construction, and various other undertakings. Under the leadership of the party Central Committee, the State Council, and the provincial party

committee, we conscientiously implemented the series of principles and policies laid down since the Third Plenary Session of the 11th Party Central Committee, unwaveringly adhered to the basic line consisting of "one central task and two basic points," and continued to advance with firm steps on the road to socialism with Chinese characteristics. The work tasks and various targets approved and defined at the first session of the seventh provincial people's congress were by and large accomplished, a major breakthrough was made in reform and opening up, and our economic strength and living standards were improved notably. The province's 1992 GNP was expected at 84 billion yuan, up 27.4 percent from 1987 with an average annual increase of 5 percent; the national income 67.5 billion yuan, up 23.7 percent with an average annual increase of 4.3 percent; and national property [guo min cai chan 0948 3046 6299 3934] 281 billion yuan, up 90.3 percent with an average annual increase of 13.7 percent. Peasants' per-capita net income rose from 474 yuan to 840 yuan, and urban people's consumption level rose from 943 yuan to 1,760 yuan.

During five years of reform, opening up, and construction, the provincial government, following the arrangements of the provincial party committee, organized and led people throughout the province in carrying out the following work in particular and this played a decisive role in the overall situation.

We made persistent efforts to strengthen the fundamental position of agriculture, greatly facilitated the "four integrations" in rural areas, and created a general trend in which the county economy was moving toward the market economy and was developing at a faster rate. In the five years, while stabilizing and improving the household-based output-related contract responsibility system, we started with application of science and technology to agricultural development to greatly facilitate the "four integrations"—integration of grain production, animal husbandry, and township enterprise development; integration of foreign trade, industry, and agriculture; integration of agriculture, science and technology, and education; and integration of urban and rural areas, thus blazing a specific way to develop the county economy. Despite the strained financial and credit funds, we adopted various measures to increase the investment in the county economy to promote the rural economy. Our grain production reached new stages for two years in a row, and our comprehensive production capacity was stabilized at about 22.5 billion kg. The commodity rate of our grain ranked first in the country. Animal husbandry witnessed a comprehensive development. The number of cows in stock increased from 400,000 in 1987 to 700,000, and the number of pigs from 4.83 million to 7.4 million. This not only helped promote the rural economy but also enabled us to greatly enrich urban and rural markets and achieve self-sufficiency in the supplies of poultry, eggs, milk, and vegetables. Township enterprises grew at a rate of 20 percent a year, and some of them became the mainstay of the local county economy. Some leading industries with

local characteristics were expanded gradually, the capacity of the county economy was enhanced, and some localities emerged to develop in leaps and bounds and become prosperous ahead of others. Impoverished counties quickened their steps in shaking off poverty and achieving prosperity. By the end of 1992, the total product of rural areas came to 47 billion yuan, up 67.3 percent from 1987 in terms of comparable standards and an average annual increase of 10.8 percent. This predicted the transition of the county economy to the market economy ahead of others and also a faster development of the county economy.

We firmly seized the opportunity offered by history to promote opening to the outside world in all directions and began to establish a new pattern of export-oriented development in Heilongjiang's economy. In 1988, in compliance with the trend of coordinated development of the economy, the provincial party committee and government summarized the province's practice and experiences in opening to the outside world and, proceeding from the characteristic of a landlocked border province, put forward and implemented the strategic principle of "establishing ties with the localities south of the province, opening to those north of the province, and opening to the outside world in all directions." In five years, while continuously expanding the economic relations and trade with Japan, ROK, Europe, America, Southeast Asia, Hong Kong, and Taiwan, we made utmost efforts to exploit the market of the Far East region of the former Soviet Union, expanded border trade in both range and quality, and developed from border trade into opening of border areas, thus making new headway in the local barter trade, economic and technological cooperation, contracts for engineering projects, and labor service cooperation with the CIS. The successful third "Harbin Border Trade Fair" made Heilongjiang better known to the world. In particular, its successful conclusion of transactions totaling more than \$6 billion made it on a par with the "Guangzhou trade fair" which takes place far away. We notably improved both the tangible and intangible conditions for opening to the outside world, intensified infrastructural construction, opened 18 ports, and drew up and improved a series of preferential policies for bringing in funds, technology, and personnel from abroad and for establishing the three types of foreign-funded enterprises. We established the Harbin economic and technological development zone, the Harbin and the Daqing high- and new-tech industrial development zones, and the Heihe and the Suifenhe border economic cooperation zones. The 22 economic development zones in the province invited investment on a large scale, and some of them began to take initial shape and display strong vitality. After Comrade Deng Xiaoping gave speeches during his south China inspection, the state officially approved designation of Heihe and Suifenhe as border open cities and granted Harbin city the policies for coastal open cities. Under the leadership of the provincial party committee, we firmly seized this opportunity to rearrange our opening to the outside world and drew up the

14-article decision on opening wider to the outside world and developing the export-oriented economy to push the province's opening up to a new stage of development. Not long ago, the province went to Shenzhen and Hong Kong to invite investment on a large scale and achieved splendid results. It has initially established a new pattern of multi-layered and multi-directional opening of the areas along the border, along rivers, and along railways, with Harbin in the lead and with Heihe and Suifenhe as showcases. Compared with five years ago, our endeavor to open to the outside world reached a new stage in both range and quality. The province's 1992 volume of imports and exports totaled \$2.8 billion, up 1.7 times from 1987; its rank rose from 12th to 10th and it was the first among the 19 inland provinces. During the five years, the province signed 1,700 economic and technological contracts worth \$2.7 billion, up 3.5 times and 5.8 times, respectively, as compared with five years ago. In particular, the trade in border areas developed rapidly, became a new force and an important pillar of our foreign economic relations and trade instead of a supplement in the past, and promoted the economic development of the entire province. We are now taking firm steps to advance toward the large stage of the world economy.

We formulated and implemented the strategic principle of "developing the province with science, technology, and education" and gave full play to the tremendous promoting role of science and technology in the economy, thus instilling new vigor to Heilongjiang's economy. Based on the new situation in the intermediate technological revolution [mei ji shu ge ming 1252 2111 2611 7245 0730] of the world and the inherent demand of economic development, the provincial party committee and government defined the strategic principle of "developing the province with science and technology" in 1988 and the plans for its implementation in 1989. In practice, thanks to people's continuously deepened understanding of the positions and roles of science, technology, and education, the provincial party committee and government decided in March 1992 to turn the principle from "developing the province with science and technology" into "developing the province with science, technology, and education" with the approval of the fifth session of the seventh provincial people's congress, thus perfecting this strategic principle.

During the past five years, in the past two years in particular, the work of "invigorating the province through scientific and educational means" was extensively and penetratingly conducted in various localities, various departments, and various levels of various trades. In rural areas, with the focus on invigorating agriculture through scientific and educational means, the province universally carried out the "Spark Plan," the "Prairie Fire Program," and the "Bumper Harvest Plan," and gave prominence to the group contracting and to making overall plans for agriculture, science, and education. At the moment, 10 counties and 100 townships in the province made overall planning for and

combined agriculture, science, and education. Middle schools in rural areas universally opened agricultural technology class. More than 40 percent of middle schools provided short-term vocational and technical courses for their students, more than 85 percent of counties set up peasants' secondary specialized schools or peasants' technical schools, 80 percent of townships (towns) ran peasants' technical schools, and 90 percent of villages ran peasants' night schools. In urban areas, the province emphatically promoted the work of invigorating industry through scientific and educational means; launched the quality, variety, and efficiency year activity; concentrated efforts on renovating 100 large and medium-sized enterprises; adopted 200 advanced technologies; developed 2,534 new products; and newly added 1.61 billion yuan in the output value. To make science and technology take root in the economy and to make various kinds of talented persons enter the main battlefield of economic construction, the provincial party committee and the provincial government formulated a series of policies and measures for decontrolling scientific research institutes and scientific and technological talents, thus accelerating the transform of scientific and technological achievements and further mobilizing the initiative of intellectuals. Despite the financial shortages, the province effected a 12.9-percent increase in its average annual input in science, technology and education, exceeding the increase rate of financial revenues. Thanks to the implementation of the principle of "invigorating the province through scientific and educational means," the province's economic construction was gradually embarking on the orbit of depending on scientific and technological progress and improving the quality of laborers. The factor of scientific and technological progress in economic growth was raised greatly compared with that five years ago.

We increased the dynamics of reform in line with the market direction and created conditions for building the new system of socialist market economy. Along with the in-depth development of reform and the change in market, we continuously reduced the items covered by the mandatory planning, and gradually increased the items covered by market regulation. The province basically decontrolled the prices of the products covered by the mandatory planning and controlled by the province. The products covered by the mandatory planning decreased from 33 in 1987 to 22. More than 90 percent of the commodities had their prices regulated by the market, and the marketing prices of meat, eggs, vegetable, grain, and edible oil were also decontrolled. To push enterprises, large and medium-sized state-owned enterprises in particular, to the market, and to make enterprises manage their affairs independently, assume responsibility for their own profits or losses, and develop and restrict themselves with their own efforts, we carried out large-scale experiments, in the course of perfecting the contract responsibility system, for the reform of system of the overall input-output contracting, the shareholding system, the system of separating taxation from

profits, the system of simulated operation of joint ventures involving foreign investment, and the decontrolled management system. The province drew up the "50-article" and the "22-article" policies and regulations conducive to decontrolling and invigorating enterprises and pushing enterprises onto market, thus gradually expanding the autonomy of enterprises. Proceeding from developing large-scale production and large-scale circulation, we energetically carried out market construction, and initially formed the market network, with wholesale markets as the main body and with the country fair markets as the foundation. In line with the market direction, we also carried out reforms in the fields of finance, banking, insurance, foreign trade, science and technology, housing, land, personnel, and the national economic accounting system. All these show that the province's entire economic system was transiting from the highly centralized planned economy to the socialist market economy, and this situation tended to speed up.

We strengthened the building of the socialist democracy and the legal system, energetically conducted the comprehensive management of social order, and intensified the building of the socialist spiritual civilization, thus giving rise to a relatively good political environment throughout the province. In line with the overall arrangement of the whole country, we extensively and penetratively conducted education to make the law universal throughout the province.

Over the past five years, in line with the province's reality, we applied to the provincial people's congress and its Standing Committee to formulate and promulgate 39 local laws and regulations, and the provincial government to issue 164 regulations. In the principle of "integrating attack with prevention, taking stopgap measures and radical measures, and paying attention to radical measures," and the principle of "whoever takes charge of the affairs should assume responsibility for them," we launched a provincewide general war for improving social security and succeeded in unceasingly improving the social security. On the basis of emancipating minds and changing concepts, we conducted publicity and education on patriotism, socialism, and commodity economic development, and on becoming well-off and pushing the economy to a new height. The cultural, art, press, publication, broadcasting and television units actively provided rich and brilliant spiritual food for the people to help them greatly change their spiritual outlook. Great achievements were made in sports, public health, family planning, nationalities, and Overseas Chinese affairs work.

Over the past five years, governments at all levels conscientiously implemented the resolutions and decisions of the people's congresses and their standing committees, paid attention to making members of the Chinese People's Political Consultative Conference [CPPCC] and democratic parties and people from various circles participate in discussing political affairs, and raised the scientific and democratic level while making policy decisions. During the past five years, we handled

2,032 suggestions, criticism, and opinions offered by the people's deputies; 1,975 motions raised by CPPCC Committee members; and 846,158 people's letters and visits. The building of grass-roots political power was further strengthened. Unity between the Army and the government and between the Army and the people was further consolidated. The whole province, from the higher to the lower levels, was united as one, enhanced their spirit, and displayed a good spiritual outlook.

Reviewing the historical course of the past five years, we profoundly recognized that our achievements were attributed to the correct leadership of the party Central Committee, the State Council, and the provincial party committee; the supervision of the provincial people's congress and its Standing Committee; the great support of the provincial CPPCC committee; various democratic parties and mass organizations; and the efforts of the people across the province in making concerted efforts to work hard in a pioneering spirit. Here, on behalf of the Heilongjiang Provincial People's Government, let me extend heartfelt thanks to the broad masses of workers, peasants, and intellectuals across the province; all officers and men of the Liberation Army; commanders and fighters of the Armed Police Force; public security cadres and policemen and militiamen; democratic party and nonparty personages; compatriots from Hong Kong, Macao, and Taiwan and Overseas Chinese compatriots who made contributions to Heilongjiang's various fields of work; and domestic and foreign friends who supported our province's various undertakings.

Fellow deputies, while affirming the achievements, we should also sober-mindedly recognize that the in-depth contradictions that restricted our province's economic development for a long time and that had not been fundamentally resolved were prominently manifested in the following: Production of the whole society operated in a state of high input and low output, and the situation of slow economic development rate and low efficiency had not been fundamentally changed; the progress of readjusting the economic structure and production set-up was not fast enough, the new economic growing point was quite weak, pillar industry failed to fulfill its role in stimulating the overall economic situation, and the products with fairly strong competitive capacity were small in number; and the "bottleneck" restrictions such as financial difficulties, shortage of funds, and weak transport capacity remained very serious. Of these problems, some were accumulated over long years and some appeared in the course of development. As far as the provincial government was concerned, it also had an unshirkable responsibility. Our way of thinking, ideology, concepts, and the leftist shackles and influence made us fail to meet the needs of the socialist market economy, and we lacked a spirit of "daring to blaze new trials, to try and to take risks"; we failed to firmly grasp the work or to carry out some tasks through to the end, which the provincial party committee and the provincial government had defined in terms of specific principles and policies. Thus, our results were just average. The overall functions of

governments were not given full rein, and some departments disputed over trifles while solving problems; organizations were overstuffed, and efficiency was low; the ideology and work style of some cadres were unhealthy, and the corrupt phenomena of infringing upon the interests of the grass roots and extorting money or things from the masses remained very serious. We should pay great attention to all of these problems and realistically straighten out and solve them in an effort to do a better job in the government work.

2. We Should Deepen Reform, Open Wider to the Outside World, and Make Great Efforts To Push Heilongjiang's Economy to A New Stage

The 14th CPC Congress decided to establish the socialist market economy system and opened up a new period for China's socialist construction. Taking the market mechanism as the basic regulating method for the disposition of resources and the operation of the economy, the new system will extricate as soon as possible Heilongjiang's economy from the shackles imposed by the highly centralized planned economy system and make it regain vigor in the transition to the market economy. Meanwhile, it will deprive producers of industrial and agricultural products of their reliance on unified purchases and guaranteed marketing and force them to fight in the market. In compliance with the operation of the law governing the market economy, the new system will bring prices into better balance to create favorable conditions for turning our resources advantage into an economic advantage, a target for which we have long fought. However, the law of nature will put all enterprises in a test of life or death in intense competition. The separation of government functions from business management, the state's macroeconomic regulation and control, and the independent management of enterprises, all implemented under the new system, will eliminate the barriers between different departments and different localities in Heilongjiang's economy and accelerate the reorganization of the essential elements of production and the development of socialized large-scale production. Meanwhile, transformation of the long-established systems and functions of governments and enterprises requires a process of labor pains. Implementing the basic principle of focusing on efficiency, the new system will greatly facilitate scientific and technological progress and enable Heilongjiang, an old industrial base, to regain its might. However, due to their heavy burdens, the large number of old enterprises will need more than one day to accomplish technical transformation and will encounter numerous restrictions in their effort to attain technological progress. The new system is an open system. Following the state's extension of its strategic arrangements for opening to the outside world from coastal to border and inland areas, Heilongjiang will be able to fully develop its geographical advantage and then create a situation of multi-directional opening up to promote a fast economic and social development. Meanwhile, we will encounter challenges we have never met before when participating in the international cooperation and competition. In such an

historical period when opportunities and challenges coexist, we should not only firmly seize all favorable opportunities but also face up to the numerous difficulties and challenges bravely, accelerate development, and blaze a road to a faster economic development with better efficiency.

The 10th plenary session of the sixth provincial party committee approved the "general plan for Heilongjiang's economy to reach a new stage." Based on this plan, the general targets for the next five years and even the period to the end of this century are as follows: Basic industries and infrastructural facilities are strengthened, the investment climate is greatly improved, and a general pattern for opening up in all directions is by and large established, and enterprises, especially large and medium-sized state enterprises, enter the domestic and the world markets with a fairly competitive edge. The 10-year program is accomplished in eight years, and the target of 300-percent increase is attained. By the end of this century, a highly efficient and open economic system and a mechanism for the operation of the socialist market economy are established, and a fairly comfortable life is achieved.

GNP should grow by more than 8 percent a year to reach 105 billion yuan by 1997 and 140 billion yuan by 2000.

The industrial composition is further adjusted to change the ratio between the primary, secondary, and tertiary industries from 21:54:25 in 1992 to 18:45:37 in 1997 and to 15:40:45 in 2000.

The volume of imports and exports should grow by about 20 percent a year to reach \$5.5 billion by 1997, accounting for more than 30 percent of GNP; and to exceed \$10 billion by 2000, accounting for more than 40 percent of GNP.

The output value of township enterprises should grow by more than 25 percent a year to reach 65 billion yuan by 1997 and 100 billion yuan by 2000.

The contributions attributable to scientific progress in economic growth should reach 37 percent in 1997 and more than 40 percent by 2000.

The quality of life should improve continuously. By 1997 illiteracy should be basically wiped out among young and middle-aged people, and by 2000 the nine-year compulsory education should be made universal in the province.

The province's per capita actual consumption level should show an average annual increase of 6 percent or more, reaching 1,460 yuan by 1997 and 1,700 yuan by 2000.

These targets are extremely inspirational but extremely arduous. This indicates that an historical leap will be made in Heilongjiang. We should boldly carry out reform with high morale and with the "three conductives" set forth by Comrade Deng Xiaoping as the criterion, and should adopt extraordinary measures and

do a solid job in turning ideals into reality. To realize the above targets, we should give prominence to the reform of relations in the following five fields and to the major tasks on building the overall situation.

First, we should rapidly build the socialist market economic system.

In the next five years, we should set up the basic frame of the socialist market economic system by making great efforts in solving the difficult points that restrict the province's economic development, by centering on the establishment of the socialist market economic system, and in line with the principle of carrying out the work in an all-round way and making breakthroughs in major fields.

By doing the work in an all-around way, we mean firmly grasping the four interrelated important links of the establishment of the socialist market economic system.

We should promote enterprise reform and change the operational mechanism of enterprises. We should conscientiously implement the State Council's "regulations on changing the operational mechanism of the state-owned industrial enterprises" and the "detailed rules" formulated by the province to implement the regulations. We should actually separate government administration from enterprise management, return powers to enterprises in an all-around way, and make enterprises truly become the economic entities and the main body of the market which are independent and responsible for their own profit and loss, which are capable of developing and regulating themselves, and which shoulder the responsibility of ensuring and adding the value of the state-owned property. We should carry out the reform of the property right system. We should continue to persist in and perfect such contracting forms as "enhancing the grade and attaining targets," the overall input-output contracting, and being responsible for reducing deficits. We should strengthen leadership, expand experiments, and steadily promote all forms of the shareholding system. We should gradually try out the system of separating taxation from profit delivery. We should openly lease small state-owned enterprises to society, sell such enterprises to society by converting their property into shares, auction them off, or change the ownership of such enterprises. To establish the socialist market economic system, we must develop a new type of ownership relationship, in which public ownership is the main body and diverse kinds of ownership exist simultaneously and compete with one another. At the moment, the non-state-owned economy has not developed nearly enough, and thus it should be developed rapidly and freely. We should vigorously import foreign capital and run the three types of foreign-invested enterprises. We should further reduce the restrictions over the management scale and forms of individual and private sectors of the economy. We should encourage the non-state-owned enterprises and the state-owned enterprises to purchase each other's shares and cooperate with each other. We should support the non-state-owned enterprises and

individuals to buy small state-owned industrial and commercial enterprises. We should simplify the examination, approval, and registration formalities for individual and private business and for the three types of foreign-invested enterprises. We should first develop such enterprises and then standardize them in order to better exploit the positive role of the non-state-owned economy.

We should deepen the reform of the distribution system and the social security system. We should bring into better balance the distribution relations in various fields and accelerate the reform of the wage system in line with the state demands. Beginning this year, we should carry out the elastic wage program to give full play to the initiative of enterprises and their staff and workers. While making efforts to change the operational mechanism of enterprises, we should pay attention to the reform of social security systems with the focus on the unemployment system, the medical insurance system, and the old-age insurance system. We should expand the coverage of various kinds of security system. Unemployment insurance, medical insurance, and old-age insurance should be instituted not only among workers of state-owned enterprises but also among workers of non-state-owned enterprises. We should develop and perfect the rural social security system via support from the state, supplements from collectives, and predominance of individuals.

We should speed up the cultivation and improvement of the market system. According to the pattern that the government cultivates markets, markets guide production and consumption, and each level assumes responsibility, through the efforts in the next three to five years, the province should form an open, unified, well-regulated, multi-layered, and verified market network linking urban areas with rural areas, extending in all directions, linking the province with the outside world, and linking domestic trade with foreign trade. The province should concentrate energy on building average-quality commodity wholesale markets with Heilongjiang's special characteristics, with the influential power over the whole country, and with contacts with international markets, such as the wholesale markets for living capital goods like grain, sugar, and furniture, and the wholesale markets for means of production like petrochemical industry, coal, timber, and building materials. We should not only develop spot trade but also gradually develop futures trade. We should also develop and expand banking, scientific and technological, information, and property right markets; stock exchange centers; and foreign exchange regulatory markets. Cities and prefectures should concentrate energy on developing regional wholesale markets for farm and sideline products, such as grain, and the specialized wholesale markets and real estate markets with local special characteristics. The localities at or below the county level should concentrate energy on developing various kinds of country fairs, the wholesale markets for farm and sideline products with the focus on grain, and

the wholesale markets for daily necessities. Harbin and border cities and counties should expand and perfect Sino-foreign non-governmental trade markets. We should not only pay attention to the setup of markets but also pay more attention to establishing production bases in line with market demands. We should also develop the tertiary industry, including communications and transportation industries, to serve the markets and strive to ensure that the setup of a market can promote the development of an area. We should grasp the setup of rules and systems for various kinds of markets, resolutely eliminate the barriers and blockade between various departments and between various regions, and protect and promote equal competition.

We should speed up the change of government functions. To suit the new market economic system, we should regard the change of government functions as the priority to reform of the administrative and managerial system. The fundamental requirement is to separate government functions from enterprise management and the key is to delegating powers to lower levels. We should return rights to enterprises and delegate powers to the grass roots. On the one hand, the governments at various levels and various departments must not withhold or intervene in the rights that should be delegated to enterprises according to the state laws and regulations; on the other hand, governments must not serve as enterprise "masters" or assume the responsibility for enterprises' activities. We should have enterprises have the decision-making right to engaging in market activities and also independently accept the consequences. Governments should exercise "three controls and three decontrols" over enterprises. That is, the governments should manage the enterprises' external environment but not their internal affairs, manage the distribution of interests between enterprises and the state but not the enterprise internal distribution affairs, and manage representatives of legal persons of enterprises but not the appointments and removals of deputy directors, deputy managers, and middle-level cadres. Governments should have the main functions for coordinating, supervising, managing, and serving the enterprises' affairs. We should further reform the managerial systems of the planning, financial, and some specialized departments; intensify the auditing and economic supervision; perfect the scientific macroeconomic management system and method; change direct management into indirect management, microeconomic management into macroeconomic management, simple administrative means into economic means and legal means; and really organize new government activities in line with the requirements of the socialist market economic system.

Making key breakthroughs means that we should concentrate energy on solving the key problems affecting the economic development and the problems relating to several key trades that have the most serious problems, are stagnant from development for a long period of time, and see low economic results under the restrictions of the planned economy.

The petroleum, petrochemical, forest industry, grain, coal, sugar refinery, and military industries should adopt resolute means, strive to gain the support of the state and responsible departments, gradually cancel the mandatory plans, thoroughly decontrol prices, break the bounds of administrative levels, and conduct cooperation according to the economic law. We should adopt preferential policies and supporting measures to treat the accumulated debts of grain and forest industrial enterprises so as to help them extricate themselves from the strained circumstances. Through overall supporting reform, we should strive to turn the "unleavened dough" in the national economy into "live dough" of the market economy and restore the graceful bearing of the previous main forces. We should adopt various measures to expand the sales of products, enliven the capital, and promote the province's economy in a faster and high-efficient manner. The provincial government will organize several specialized bodies, assign leaders to take the responsibility, forcefully promote the work, and make a breakthrough within a definite time.

Second, we should realize the upgrading of the opening up strategy.

Further enlarging the opening up represents an important dragging force for the province to improve its economy to a new level. Along with the development of both domestic and foreign economic situation and particularly with the restoration of our country's seat in the GATT, we are not only encountering an opportunity but also a challenge for enlarging the opening up. We should be sober enough to approach the situation as well as readjust the opening up strategy and realize the upgrading of the strategy by displaying greater courage and insight and adopting more effective measures, so that by making use of these readjustment and upgrading, we can bring along the structural readjustment of industries and products throughout the province, the improvement of economic quality as a whole, and the province's economic development. We should extend as soon as possible the mutual-supplementary trade of commodities merely to the overall cooperation of the economy and technologies and upgrade the level of foreign trade activities and of economic relationship with foreign countries. We should accelerate the work of turning the intermediate trade companies into those possessing many key industrial enterprises so as to enable the state-owned large and medium-sized enterprises to become the main forces of opening up. Meanwhile, efforts should be made to foster a pattern in which the state, collectives, and individuals jointly open enterprises at all levels. We should also accelerate the extension from the bilateral economic and trade cooperation mainly with Russia to the cooperation with multiple countries so as to foster a pattern of opening up with multiple styles. Efforts should be made to accelerate the transformation from the opening up position of these border areas to the central position of the Northeast Asian Economic Zone so as to bring into play the role of these border areas in being a grand linking passage

between the international trades of Europe and Asia. To this end, a good job should be done in grasping the following five tasks in a planned manner: First, efforts should be made to grasp the construction of grand international passages. We should firmly grasp the work of opening up or revamping the land passage that is with Harbin as a center and is connected with Blagoveshchensk through Heihe in the north, with Vladivostok through Suiyinhe in the east, and with Chita Oblast through Manzhouli in the west. Efforts should be made to improve the conditions of exchanging goods delivery, to upgrade the grades of roads, and to increase the capability of goods transfer. We should vigorously open up the joint land-sea transportation passage between Harbin and the two large harbors of Bayuquan and Dalian, which leads to the Bohai Sea. We should intensively develop the joint river-sea transportation that can link the rivers of Songhua, Heilong, and Wusuli with Tatar Strait. Efforts should be made to open up regular or irregular flights between Harbin and Irkutsk, Seoul, Japan, Alaska, Hong Kong so as to build Harbin into an international airport with flights to Europe, North America, Northeast Asia, and Southeast Asia as well as to build Heilongjiang into a developed province with the smooth passages of highways, waterways, and air routes. Second, efforts should be made to develop or expand international markets with multiple styles. We should further consolidate or develop the markets in CIS, in which those in Russia are playing a major role. We should also actively join in the exploitation and cooperation of the Northeast Asian Economic Zone and further develop the economic and trade relations with Hong Kong, Taiwan, and other countries in Southeast Asia. Various cities (prefectures), counties, and departments within the province should establish friendly relationship with their corresponding regions outside the province or sign a long-term cooperative agreement with them so as to open a large number of enterprises and development zones in outside places; to gradually establish a large number of transnational economic cooperative zones along the border areas; and to more boldly introduce or utilize foreign advanced technologies and managerial experience to gradually foster an opening up pattern with multiple styles. Third, efforts should be made to actively broaden economic and technical cooperation. We should vigorously carry out the work of inviting business and boldly introducing foreign funds, technologies, talented personnel, and equipment. Our work emphasis in this regard should be placed on introducing foreign funds and technologies for the key projects and for the technical grafting of the existing enterprises and particularly of the state-owned large and medium-sized enterprises. Efforts should be made to encourage domestic enterprises to open joint-venture or self-funded enterprises in CIS by using their own equipment, technologies, and labor forces. Fourth, a good job should be done in improving the quality of export products. This represents not only the key to determining whether we can maintain and broaden our international markets but also the key to determining whether enterprises can exist or achieve development after the

restoration of our country's seat in the GATT. All enterprises and industries and trades as well as governments at all levels should regard as a first-grade event the work of upgrading the competitive capability of commodities and work hard to realistically and successfully grasp the upgrading. A good job should be done in conducting strict inspection over the quality of export commodities and preventing all fake and substandard commodities from damaging our prestige. Fifth, efforts should be made to improve the policies and regulations concerning investments, to vigorously upgrade the quality of work concerning foreign affairs and of the personnel in charge of foreign affairs, and to standardize our work concerning foreign affairs in line with the international conventions.

Third, we should further consolidate the position of agriculture as the foundation and accelerate the development of the county economy with township enterprises as its mainstay.

The county economy is an important support for Heilongjiang's economy to reach a new stage and is also provided with the most favorable conditions for the transition to the socialist market economy ahead of others. We should give full play to the fundamental role of the county economy in the entire economic growth and transformation of systems. In the next five years, the development rate of the county economy should be higher than the provincial average. To achieve this, we should further strengthen the position of agriculture as the foundation, accelerate reform and opening up, actively facilitate the transformation of systems, and lose no time in channeling the county economy to the track of the socialist market economy. In compliance with the development principle of four integrations and by relying on market guidance and scientific and technological progress, we should enable the primary industry to achieve good quality, high yields, and high efficiency; give prominence to the intensive processing industry of the secondary industry; achieve great development in the tertiary industry; and gradually raise their levels and expand their scale so as to optimize the entire economic efficiency and industrial composition and attain the strategic target of a fairly comfortable life.

We should deepen the activities of "developing agriculture with science, technology, and education" and greatly develop good-quality, high-yield, and high-efficient agriculture. The current provincial situation in agriculture is very good, and bumper harvests have been won in many years. Although peasants are pleased with this, they still have worries because difficulty in selling grain is common due to impeded circulation, funds have not been put in place to solve the IOU problem completely, and the widened price difference between agricultural and industrial products puts too heavy a burden on peasants. We should make conscientious efforts to solve these problems to protect the production enthusiasm of peasants. We should further stabilize rural policies, intensify construction of the rural socialized service system, and continuously expand the strength of

the collective economy. We should phase out mandatory farming plans and contracted purchasing quotas to thoroughly lift the price control on all farm products. We should guide peasants to restructure and arrange production in line with the law of value and market demand and to enter the market to become independent commodity producers and distributors. We should make the capital construction for agriculture successful to continuously improve the output and quality of farm and sideline products. We should greatly develop animal husbandry and the diversified economy to raise the level in the intensive processing of farm and animal products and to multiply their value. We should take the road of export-oriented development of agriculture, use opening up to promote development, and develop foreign exchange-earning agriculture. We should attend to the development of "impoverished, prosperous, and border" counties and, in particular, help impoverished counties to shake off poverty and achieve prosperity more rapidly.

In developing the county economy and leading peasants to a fairly comfortable life, it is not enough to develop farming. We should put township enterprise development in a major position. In line with the demand of the market economy, we should develop whatever is compatible with the state industrial policy, sells well, and creates good economic benefits and develop it in the fastest way we can. Governments at all levels and township enterprise managerial departments should establish banks of projects and help township enterprises develop new products. We should organize and send a group of county and township cadres and township entrepreneurs to developed areas to learn from them and to bring in projects, funds, and personnel. Based on specific local conditions, we should build 100 small zones of township enterprises and enable them to play a role as soon as possible. Banks and finance departments should increase their investment in and support for township enterprises, help peasants develop various types of cooperative enterprises, adopt an attitude of "giving before taking" instead of "killing the hen to get the eggs" toward township enterprises, and distribute the profits of township enterprises strictly according to the ratio of "7:2:1." We should actively establish and develop the pillar industries and highly competitive products that are advantageous in entering markets. We should formulate particularly preferential policies to encourage colleges and universities, scientific research units, large and medium-sized enterprises, office cadres, and retired personnel to work in township enterprises and to contract for or lead in the management of township enterprises.

Fourth, we should pay attention to halting deficits and increasing profits and should step up the construction of major projects.

In the process of accelerating economic development, we must correctly handle the relations between immediate and long-term interests. The lack of vitality among industrial enterprises, large and medium-sized state-owned enterprises, is the major problem in

the province's economic development. We should concentrate energy on and try every possible means to grasp industrial enterprises, large and medium-sized state-owned enterprises in particular. At the moment, the most important thing is to firmly grasp the enterprise deficit, which is the prominent practical problem. In combination with the change of enterprises' operational mechanism and with technological transformation, we should adopt resolute measures to fix policies and measures and should mobilize staff members and workers of enterprises to go to the market to strive for existence and development with concerted efforts. In the course of striving to produce quality products and readily marketable products, we should continue with the method of assuming responsibility for both marketing and purchasing in order to reduce the stockpiling of products and promote marketing of products. The enterprises that are really unable to change their situation should be merged, closed, consolidated, disbanded, or declared bankrupt.

To extricate the province's economy from the difficult situation of growing slowly and lacking momentum, we should concentrate our energy on initiating a number of essential technological transformation projects and capital construction projects, which are close to the starting point of technology, are related to industries, are strong in competitiveness, and are good in economic efficiency. We should cultivate several predominant industries that play a great role in promoting the province's economy. This is the urgent demand for accelerating economic development as well as the strong foundation for increasing the momentum of economic development. We should draw up special policies to accelerate the development of such predominant industries as the petroleum industry, the coal industry, the timber industry, the grain industry, the building materials industry, the deep processing of building materials, the machine-building industry, and infrastructure.

We should give priority to developing the petrochemical industry. We should emphatically grasp the renovation of the Daqing 300,000-ton ethylene project, the renovation of the 40,000-ton polypropylene project, the renovation of the 60,000-ton styrene project, the renovation of the 180,000-ton synthetic ammonia project of the Heilongjiang chemical industrial plant, and the project of the 1 million sets of radial tires of the Hualin rubber plant. We should strive to cooperate with Russia to develop the deep processing of 2 million tons of petroleum and to build another 450,000-ton ethylene project. In the course of supporting the high-speed development of Daqing's petrochemical industry, we should break the barriers between different departments and different regions to develop various projects with joint funds and joint efforts and should make great efforts to develop the reserve industries with an effort to build Daqing into the first-class petrochemical industrial base, the biggest petrochemical industrial market, the largest petrochemical industrial group, and the highest-level petrochemical scientific and technological consulting center of the

country and into an area that becomes rich ahead of all others so that Daqing will be able to help push the province's economy onto a new stage.

In building such basic facilities as energy, transportation, communications, and water conservancy projects, we should emphasize the following projects: construction of the later-stage projects of several large power plants and the pre-phase projects for the Lianhua hydropower plant and their reserve items; the double-tracking of 90.7 km of the Binzhou Railway; the renovation of the second-stage hub of Harbin Railway, the 50-km local railway from Youyi to Baoqing, and the Harbin-Heihe and the Harbin-Suifenhe highways; the construction of the Nenjiang bridge in Qiqihar and the Heilongjiang bridge in Heihe; the expansion of Harbin airport; the renovation of Harbin and Jiamusi ports, and the installation of 800,000 additional local telephone lines and 11,600 additional microwave lines; the realization of the program-controlled telephone service in the areas at or above the county level; the opening of the long-distance international and domestic direct dialing service; the consolidation of Shuangyanghe, Balengshan, Buxi, and some other large and medium-sized reservoirs; and the harnessing of the 10 rivers on Sanjiang Plain, including Songhua Jiang and Nen Jiang.

In terms of the processing industry, we should pay attention to technological transformation, promote the upgrading and updating of products, and particularly expand the industrial chain of the raw materials products to increase the added value. Emphasis should be put on the doubling of the target of renovating the Harbin Power State Group; the renovation of such large and medium-sized enterprises as the first heavy industrial plant, the Qiqihar No. 1 and No. 2 machine-building plants, the three major power plants; the renovation of the 60,000-ton polyester project of the Heilongjiang polyester fiber plant and of the third-stage project of the Harbin flax plant; and the construction of the Harbin motor project. We should build a high-efficiency industrial group headed by the forest industry. We should emphasize the renovation of a number of existing papermaking enterprises such as the shaving board plants, the medium-density fiberboard plants, and Qiqihar, Mudanjiang, and Jiamusi papermaking enterprises. We should also emphasize the deep processing of Yichun, Chaihe, and Shibazhan papermaking plants.

Fifth, we should accelerate development of the tertiary industry.

The province's tertiary industry accounts for a small proportion and is low in quality. However, the potential for developing the tertiary industry is great. We must regard the tertiary industry as a new growth point to promote the economy to a new stage as well as a strategic task and make the growth rate of the tertiary industry much higher than the primary and secondary industries. According to the provincial plan for developing the tertiary industry, in the next five years and even by the end of this century, the province should vigorously

develop transportation, post and telecommunications, education, insurance, commerce and trade, finance, tourist trade, catering services, real estate, culture, public health, sports undertakings, science and technology, consultation services, information services, and technological services. The output value of the tertiary industry should increase 17 percent annually and reach 40 billion yuan by the end of 1997 and 62 billion yuan in 2000. We should work out preferential policies to encourage the development of the tertiary industry along with the orientation of industrialization, break with restrictions, give free reins to the development of the tertiary industry, and speed up the realization of industrializing the tertiary industry. Persistently in line with the principle that whoever invests will gain ownership and benefits, we should pool the capital of the state, the collectives, the individuals, and foreign businessmen and guide all fronts in society to increase the input to the tertiary industry. The tertiary industry is allowed to regulate its commodity prices and service charges according to markets, except for a small number of prices and service charges that should be fixed by the state. Its managerial methods should be flexible and diverse. We should encourage organizations, enterprises, and institutions to open their service facilities for living, communications, and transportation means to society, to release themselves from their original units as soon as possible, and to become business entities. We should carry out the method of granting loans with deducted interests to support the tertiary industrial projects with good social benefits but poor economic results. The banking departments should increase the scale of credits and funds to support the tertiary industry, particularly communications, postal, and telecommunications infrastructural facilities. Organizations, enterprises, and institutions should open their reserve service departments to society and arrange their surplus personnel to run the tertiary industry. We should also appropriately work out preferential policies to encourage the people to run commercial and service centers in border and remote areas. According to the actual conditions, the financial departments at various levels should allocate appropriate funds to the urgently needed key tertiary industrial projects and ensure that loans are withdrawn when they expire. The governments at various levels should bring the development of tourist trade into line with the national economic plan; make efforts to develop tourist resources with the focus on ice and snow scenic spots and various special local features; and strive to promote the economic development.

3. We Should Take Economic Construction as a Key Link, Persist in the Principle of Grasping With Two Hands, and Comprehensively Promote Social Progress

Socialist modernization is an all-around construction. We should persistently take economic construction as a key link, persist in the principle of grasping with two hands, and comprehensively promote social progress. We must firmly grasp the key link of economic construction and make the work in all fields serve and submit to the economic construction. We must not make up any

excuse or reason to shake or intervene with this key link. Simultaneously, we should strive for construction in various spheres; lay a solid foundation for the economic construction; and make reform, opening up, and economic construction develop smoothly in a united, harmonious, and relaxed environment.

First, we should comprehensively implement the principle of relying on science and education to rejuvenate Heilongjiang and provide powerful science and technology and skilled persons for elevating the economy to a new high.

The province entered the intermediate period of implementing the program of relying science and education to rejuvenate the province in 1992. We should conscientiously organize forces to implement the program. We should deeply implement the thinking that science and technology are the primary productive forces; put education in a strategic position; give priority to educational development; promote the combination of science and technology and education with the economy; put the reliance on science and education to rejuvenate industry in a prominent place; deepen the work of relying on science and education to rejuvenate agriculture; pay attention to the research of soft science; form a mechanism for relying on science and education to rejuvenate the province with the main contents of scientifically making policy decisions, promoting scientific and technological progress, making scientific management, and developing science and technology and education; and shift, as soon as possible, the focus of economic construction onto the orbit of relying on scientific and technological progress and upgrading the quality of laborers.

We should make particular efforts to transform scientific and technological achievements into real productive forces. We should adopt corresponding methods of regulation and control to guide scientific research organizations into the market and, guided by the market, to draw up and organize implementation of various scientific research and development plans. In all of the province's scientific and technological work we should proceed from and aim at attributing a larger proportion of economic growth to scientific and technological progress. We should build and improve our technology market networks. We should build and improve rural technology markets to promote agricultural production and township industries. We should establish the markets for high and new technology to industrialize and commercialize high and new technology. We should establish and develop the markets for export-oriented technology to promote Heilongjiang's strategic escalation of opening to the outside world. We should establish multi-layered and multiform entities of various ownerships which are engaged in the business of technology to make technology markets flourish through the efforts of all quarters of society. We should make the various types of technology exchange fairs successful. We should facilitate the coordination of technology markets with money and material markets. By commercializing scientific and

technological achievements, we should accelerate enterprises' technical transformation and development of new products, raise the technological base on which technical transformation and new products are developed, reduce production cost, improve the technology content and additional value of products, and then increase the competitive edges of our products in the domestic and the world markets. We should encourage colleges and universities and scientific research units to contract for enterprise operation, contract for implementation of projects, or establish lateral ties with enterprises in order to have their scientific and technological achievements applied in production. We should strengthen the intermediate links through which scientific and technological achievements are applied to production. We should lose no time in developing high and new technology and the industries related to it, make the Harbin and the Daqing high- and new-tech industrial development zones successful, improve the industrial composition, and cultivate the new growing points for economic development.

We should implement a new personnel strategy, conscientiously enforce the "several policy regulations on fully developing the role of intellectuals and promoting economic development" promulgated by the provincial party committee and government, and create a common practice throughout society for respecting and cherishing trained personnel and place them in important positions. 1) We should lift restrictions on personnel. While stabilizing the contingent of the scientific and technical personnel engaged in basic research and basic technological work, we should lift restrictions on most scientific and technical personnel. We should emphasize lifting restrictions while pursuing stability in line with the principle of using policies, markets, typical examples, and public opinion to guide and promote this work. We should implement well the relevant policies of the state and the province and support personnel in all specialties to fully develop their talents as long as their work meet the "three criteria." 2) We should bring in personnel from outside. Proceeding from our actual needs, we should formulate more preferential policies to bring in personnel from outside the province and outside the country. In particular, we should provide a relaxed environment and good conditions for these personnel to score more and faster achievements. 3) We should cherish personnel and place them in important positions. We should not only improve their work conditions and benefits but also give generous awards. We should have the courage to use those with outstanding contributions regardless of their age and diploma. 4) We should adopt various measures to train personnel. We should attach importance not only to the training of scientific and technological experts but also the training of managerial experts. We should, for the present, particularly attach importance to the training of a gigantic contingent of entrepreneurs who meet the need of the socialist market economy.

The foundation for developing the province with science, technology, and education lies in education. We

should accelerate the development of education and intensify educational reform to meet the need for training qualified successors to carry on socialist modernization.

We should emphasize the popularization of nine-year compulsory education; actively strengthen elementary education; actively develop vocational, adult, and higher education; and encourage people to become competent personnel through self-study. It is necessary to reform even more the teaching and management systems, establish an educational operational mechanism that is compatible with the socialist market economy, readjust and optimize various types of educational courses and the educational level and structure, deepen the reform of the student enrollment and distribution system, comprehensively raise the educational quality, and train personnel that are badly needed for developing our province's export-oriented economy and township enterprises and successfully running large and medium-sized enterprises and for the rural, border, outlying, and poor areas. We should encourage the establishment of schools by pooling social funds through various channels, strive to raise the quality of the ranks of teachers and improve the social benefits and living conditions of teachers.

Second, we should conscientiously implement the basic national policy on controlling population growth and strengthening environmental protection.

Population, natural resources, ecology, and environment are the basic conditions of economic and social development. In reforming the economic system, in addition to not slackening our efforts in this regard, we should strive to improve our work to cope with the new situation and guarantee the implementation of this basic state policy. Governments at all levels should further strengthen the population concept and the per capita concept, attach simultaneous importance to family planning work and economic construction and never slacken our efforts in it, but should grasp it well. We should give priority to solving the issues of early marriage and early birth as well as the birth control of the transient population, effectively control the growth rate during the province's third baby boom period, pay attention to healthy births and healthy upbringing, strictly implement all relevant regulations, and raise the quality of the population.

We should further strengthen environmental protection; comprehensively implement the 10 countermeasures for our country's environmental and economic development approved by the party Central Committee and the State Council, and strictly implement a series of laws, regulations, and decisions such as the "PRC's environmental protection law"; strengthen propaganda and education on environmental protection; unceasingly raise the environmental consciousness of the people across the province; and strengthen the building of environmental management system and the environmental supervision and management system in the province. It is necessary to develop rationally and economize on the use of natural resources and resolutely check the misappropriation of

cultivated land, illegal felling of trees in wooded and hilly lands, illegal mining, damage of grassland and water resources, and other illegal acts. We should persist in implementing the system of paying for the use of natural resources and do a good job in cultivating and protecting natural resources. Urban and rural construction and environmental construction should be planned, carried out, and developed simultaneously in an effort to improve unceasingly the urban and rural water environment as well as the atmospheric and ecological environment. In renovation of urban areas, we should follow the urban construction overall plan, keep our eyes on long-term plans, make rational plans, and "make use of every bit of time and space."

Third, we should strengthen the building of socialist spiritual civilization and strengthen the new concept that is compatible with the socialist market economic system.

The new situation has urgently called for efforts to make the building of spiritual civilization serve as a spiritual motivation and intellectual support for reform, opening up, and economic construction. We should realistically strengthen and improve leadership over the building of spiritual civilization, carry out the building of spiritual civilization in close connection with the central task of economic construction, and form a media force—an ideology, a cultural condition, and a social environment—favorable to accelerating reform and expanding the degree of opening up.

Emancipating the mind and embracing the new concept on the socialist market economy constitute an important task for building the spiritual civilization in the new period. We should always attend to emancipation of the mind; strengthen ideological and political work on a regular basis; unify the thinking of the cadres and the masses in the province in line with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; clarify confusion in various ideas; smash the shackles of the various ideas incompatible with the socialist market economy; abandon the backward, narrow, and conservative concepts on small-scale production; and embrace the new concepts on the market, competition, and efficiency and the ideas characterized by the "courage to blaze new trails, experiment, and take risks" in line with Heilongjiang's specific conditions.

We should continue the extensive and in-depth mass activities to build the spiritual civilization and enable the activities to be carried out at urban and rural grass-roots levels. We should attach importance to formulating professional ethics. All trades and professions should gradually formulate realistic professional ethics in line with their characteristics. We should intensify the education on social morality to bring about continuous improvement in social conduct and social order. We should extensively carry out the activities to build civilized units and civilized cities and the activities for the people to cooperate with armymen and policemen to build such units and cities. We should attend to the spiritual civilization in rural areas to improve the quality

of peasants and deepen the rural activities to "stress the spiritual civilization, compete in achieving prosperity with science and technology, and build socialist civilized villages."

In cultural and art work, we should adhere to the orientation of "serving socialism and serving the people" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," strive to "train a strong contingent of cultural and art workers in the northern frontier and create literary and art masterpieces," make Heilongjiang's culture flourish, and satisfy people's multi-level and diverse need for nourishment for the mind. We should regard building the "border cultural corridor" as the focus of cultural work and make it successful. We should strengthen the management of the cultural market, eliminate pornography and inferior things, and clamp down on illegal publication to purify the social environment. Press, publication, radio, and television departments should give prominence to the central task of economic construction; give more weight to the propaganda on reform, opening up, and establishing the socialist market economy system; and give full play to the correct guiding role of public opinion. Public health should be focused on rural areas and should be made successful so that peasants' problems in preventing and curing diseases can be solved. In sports, while carrying out mass sports activities extensively, we should raise to a new level Heilongjiang's strong competitive sports, especially ice and snow sports. We should make utmost efforts to bid for hosting the third Asian Winter Games.

Fourth, we should further strengthen democracy and the legal system to ensure the smooth progress of reform, opening up, and the modernization program.

Governments at all levels should report their work to the People's Congresses and their Standing Committees at the corresponding levels, unfailingly implement the resolutions and decisions of the People's Congresses and their Standing Committees, voluntarily subject themselves to the supervision and inspection of people's congress and CPPCC, and rapidly and successfully handle the suggestions of people's deputies and motions of CPPCC members. We should further strengthen ties with CPPCC, various democratic parties, and mass organizations; inform them of the situation in a timely manner; and earnestly give heed to their opinions and suggestions. We should give full play to the role of the persons from democratic parties and those without party affiliation who assume leading posts in government departments. We should comprehensively implement the party's nationalities policy, persist in and improve the system of regional national autonomy, defend national unity, and promote the common prosperity of the various nationalities. We should conscientiously implement the party's policies on religion and overseas affairs. We should establish and improve more rapidly the democratic and scientific policymaking system and the process of its implementation. We should pay high attention to the setup of democracy among the grass

roots; bring into full play the functions of the staff and workers congresses, neighborhood committees, and villagers' committees; and ensure that the grass-roots people would be able to fully exercise their democratic rights. We should ceaselessly improve the supervision mechanism; intensify the administrative supervision, auditing, and press media departments' supervisory role; do a good job in handling visitors and incoming letters from the masses; and ensure that the government policy decisions and the implementation of the policy decisions conform to the interests of the people and extensively enjoy social supports.

The socialist market economy is a legal economy. So, we should strengthen the setup of the legal system. According to the requirements as set forth in state legislation and the demands for the market economic development, the provincial government should report, in a well-planned manner, its draft rules and regulations to the provincial People's Congress and its Standing Committee, firmly attend to working out and perfecting the regulations and policies on macroeconomic regulation and control, standardize the government and enterprise activities according to laws, and define the relations between governments and enterprises and their duties. We should further sort out and work out local rules and standardized documents and do our duties and exercise our rights to timely revise or abolish the rules and documents that do not conform to the requirements for the socialist market economic development. We should further supervise and examine the enforcement of laws; set up and perfect the system of reporting on the enforcement of administrative laws, the system of supervising the examination of major unlawful activities, and the system of putting standardized documents on file; and resolutely correct the phenomena of substituting words for laws and substituting fines for penalty. We should positively accept and handle the cases under reconsideration in the economic and management spheres, conscientiously examine and handle the cases that administrative organs violate enterprises' legalized decision-making rights, and correct them according to laws. The law enforcement departments should strengthen their self-construction and ceaselessly upgrade the quality of law executors and the level of law enforcement. We should continue to carry out the second five-year program for popularizing the general knowledge of laws; strengthen the propaganda and study of the laws and regulations governing reform, opening up, and economic construction; and strengthen the people's awareness of legal system.

We should further improve social order. We should continue to implement the five-year plan for comprehensively improving the social order, strengthen the functions of people's democratic dictatorship and the basic improvement of the grass-roots social order, further deal blows to hostile forces and various criminal activities, end the rising trend of major and appalling cases, strictly investigate and handle "six evil" elements, and create a social environment where the people live and work in peace and contentment.

We should strengthen the education on national defense and continue to achieve militia and reserve duty work, frontier work, and double-support work.

4. We Should Persist in Reform, Strictly Handle Administrative Affairs, Firmly Grasp the Implementation of Policies, and Achieve the Government Work in the New Situation

The new government will undertake the glorious mission of organizing forces to promote the province's economy to a new stage. So, the provincial government shoulders heavy responsibility. For a long period of time, the government has been operating according to the requirements of the planned economy. So, we will not easily meet the requirements for setting up the socialist market economic system. To make the government work more effectively suit the rapid development of the objective situation, we must ceaselessly strengthen the government construction, be diligent and honest in performing official duties, and ceaselessly improve work efficiency. The key is to ceaselessly conducting self-reform and strictly handling administrative affairs according to the requirements of the party and the people.

The government work in the new situation is extremely arduous and tends to be more complicated. Facing the new requirements for setting up the socialist market economy and separating government functions from enterprise management, the government must change its functions.

An important step and guarantee for changing government functions is to streamline the size of staff and administrative procedures, bring various relations into better balance, and improve efficiency. In line with the principles of streamlining, unification, and efficiency, we should carry out organizational reform step by step and reduce the working personnel of the government by a relatively large margin. The general direction of this work is: "Streamlining organs but expanding service," making overall planning and arrangements, being meticulous in organization, and working in a positive, steady, and step-by-step manner. As for the organs which administer scattered trades and manage a large scale of work, their organs should be retained but their staff members should be reduced. The organs whose functions are overlapped should be merged or streamlined. The organs which engage in a single trade and whose functions are narrow should be gradually changed to economic entities. The comprehensive organs that have new functions should be strengthened appropriately. All kinds of non-permanent organs should be subject to strict clearing up. The organs which can be abolished should be abolished and those which can be merged to permanent organs should be merged. For the organs which must be set up, no limits should be given to the size of their staff in principle. The organs directly under the provincial authorities should carry out readjustment right after the central authorities made arrangements. However, these organs should encourage part of their staff to engage in commerce in a planned way at present. This year, a city

directly under the jurisdiction of the provincial authorities should be selected to experiment with the organizational reform in an all-round way. Organs at the county level should accelerate the pace of reform. The nine counties which are relatively good in economic situation and which were opened to the outside world in an earlier manner, the 11 poverty-stricken counties, and the 19 border counties (cities) should boldly make experiments and should voluntarily change functions and carry out organizational reform.

We should actually strengthen the self-improvement of the working personnel of the government organs. Working personnel of the governments at all levels should all enhance their consciousness in studying, earnestly study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, study the knowledge concerning market economy, study the advanced world and domestic management forms and methods, and change as fast as possible the old habits concerning thinking and actions that were formed under the mode of planned economy. They should also boldly try everything and learn to master the market economy as quickly as possible in order to exploit the government functions in an even better way. We should gradually reform the employment system of government organs, strengthen the examination for selecting employees, persist in evaluation system, award the outstanding employees and punish the backward ones, encourage competition, and gradually establish a mechanism which can basically mobilize the initiative of working personnel of government organs.

We should change the style of government organs, improve their work methods, and enhance their work efficiency in order to gear the operational mechanism of the government work to the orbit of the market economy. Over a long period in the past, the government has worked in slow tempo, low efficiency, and without competition. Therefore, governments at all levels should keep abreast of the demand of building the market economic system, should attend to their work in a creative and practical manner, and resolutely change their work style and work methods. Governments at all levels should reduce work levels, simplify work formalities, handle affairs openly, and improve their work efficiency. We should vigorously reduce the number of meetings and documents and should resolutely abolish those social appraisals and examinations that become a mere formality and that tire the people and drain the treasury. Cadres of leading organs should use even more time to go deep into the grass-roots areas to conduct investigation and study and should concentrate their energies on solving major problems existing in economic and social development.

We should firmly foster the ideology of wholeheartedly serving the people, consciously place ourselves under mass supervision, and strengthen the building of clean politics. Governments at all levels and their personnel should firmly bear in mind the purpose of wholeheartedly serving the people, do official work diligently,

cherish the people, make selfless dedication, resolutely overcome the unhealthy trend of working perfunctorily and shifting responsibility onto other people and disputing over trifles, and the trend of practicing formalism and bureaucracy. It is not allowed to set restrictions and obstacles for the grass roots and enterprises, resolutely check "illegal collection of fees, fines and service charges," and resolutely reduce peasants' burden. We should resolutely overcome the corrupt phenomena, exert strenuous efforts to continuously check unhealthy trends in various trades, and strictly handle the corrupt people who abuse their power to seek personal gain, take bribes, and extort money from other people. By no means should we tolerate them. Economic entities run by government organs must gradually disconnect with their organs and must not turn them into the small treasures of a small number of people. It is not permitted to seek personal gain under the pretext of running economic entities. We should improve the supervision system in the course of building clean politics, strengthen law supervision and the functions of administrative and supervision organs, continue to implement the 19 systems formulated by the provincial government on establishing relations with the masses, strengthen supervision over people's crime reporting, maintain close ties with the masses and strive to do a good job in building clean governments.

To cope with the new situation, the government organs must exert strenuous efforts to grasp their work. All government personnel, particularly leading cadres, should do solid work to bring along a tangible development in Heilongjiang and bring actual benefits to the people. We should continue to uphold and improve the system of attaining a certain target in government work, share the tasks to each level, conduct regular investigation and check-up, and give necessary awards and punishment. Beginning this year, the provincial government will implement the system of appointing leaders to take responsibility of major work, strengthen leadership, and carry out its work in an orderly manner. We should strengthen the commanding authority of governments at all levels. Items which have been decided by the governments must be unconditionally implemented by their relevant departments. It is not allowed to interfere with or delay the work under any reason. The government official departments and supervision departments should consider this as an important task, strengthen supervision and inspection, and take disciplinary action on those whose problems are serious. As for those work which involves many departments, all departments should proceed from the overall situation and actively coordinate their efforts on their own initiative; as for problems cropping up in the course of implementation, we should actively coordinate the work, dare to tackle difficult problems, and should not avoid the work or shift our responsibility onto other people. Instead, we should concentrate efforts and achieve breakthroughs as quickly as possible. To carry out our work, we must break with the shackle of the traditional work method, meet the needs of building the socialist market economic

system under the new situation, be good at combining the principles from the higher-ups with the reality of the localities and our own departments, dare to blaze new trials, do practical work boldly, work creatively, and strive to make all fields of work yield actual results.

Fellow deputies, the next five years till the end of this century is a decisive stage for realizing the objective of quadrupling the province's GNP and enabling the people to become well-off, and the crucial period for realizing the "three step" strategy and for inheriting the past and ushering in the future. Under the encouragement of the guidelines of the 14th CPC Congress and the leadership of the party Central Committee, the State Council and the provincial party committee, let us create an opportunity for our province's economic development by firmly grasping the building of the socialist market economic system, face difficulties and challenges courageously, make strenuous efforts, work in a down-to-earth manner, and make new contributions to pushing the whole province's economy to a higher stage at a quicker rate and in a better manner and to promoting a comprehensive social progress.

Activities of Heilongjiang's Sun Weiben Reported Inspects Gas Project

SK2502064093 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 24 Feb 93

[Text] During his inspection of the Harbin No. 1 gas construction project, Sun Weiben pointed out: Developing chemical industry is our province's new economic growing point. The gasification plant which is under construction may implement the method of integrating the efforts of party secretary with that of plant directors, the efforts of the party committee leading body with that of the leading body of plant directors and the efforts of the party committee organs with that of the administrative and management organs of enterprises.

Discusses Banking Work

SK2602023593 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 25 Feb 93

[Text] On 25 February at a reception for some delegates to the provincial meeting of bank presidents and insurance company managers, provincial party Secretary Sun Weiben stressed that the banking departments at various levels should solidly and effectively attend to the banking work in the course of realizing the province's third target for economic leap.

Vice Governors Cong Fukui and Wang Zongzhang also attended and addressed the reception.

Sun Weiben said: Since the beginning of last year, guided by the guidelines of Comrade Deng Xiaoping's talks during his inspection tour of south China and of the 14th CPC Congress, the people from higher levels downward across the province have further emancipated the mind, the province has speeded up the pace of reform and

opening up, and the provincial economic situation has developed toward a good orientation. In 1992, the province basically established a balance between supply and demand, steadily developed the industrial production, set a fairly good record in agricultural production, made faster development in foreign trade, further improved the investment structure and the people's livelihood, and comprehensively developed various social undertakings. The achievements in these regards have provided a stable foundation for promoting the province's economy to a new stage and have created a relatively relaxed condition for deepening reform.

He pointed out: The achievements in economic and social development made in 1992 could not be separated from the efforts of the banking departments. Last year, the banking departments at various levels positively implemented the provincial party committee and the provincial government's work arrangements for taking the economic construction as a key link; approached from the angle of the banking work to vigorously support the province's reform, opening up, and economic construction; and made important contributions.

Sun Weiben stressed: The 14th CPC Congress set forth the requirement for comprehensively setting up the socialist market economic system and transitioning from the planned commodity economy to the socialist market economy. This is a historical strategic shift as well as a great and arduous task. Such a new situation has brought about new development opportunities to Heilongjiang, a province with a long history, wide coverage, and deep influence of the traditionally planned economy. So, we should proceed from the major prerequisite of setting up the socialist market economic system, further speed up the pace of reform and opening up, build our province into a key open border area of the country, and promote the development of the economy, science and technology, and society. Only when we grasp this favorable opportunity, further emancipate the mind, do solid work, and make efforts to do our work will we be able to greatly develop the province's economy in the course of setting up the socialist market economic system and to realize the province's third target for economic leap.

Sun Weiben finally stressed: The governments at various levels should conscientiously implement the CPC Central Committee and the State Council's principles and policies governing the banking work and consciously submit themselves to the major situation of macroeconomic regulation and control. Under the gratifying situation, we should guard against the occurrence of the overheated economy. This is an idea that Jiang Zemin repeatedly stressed recently. Although the province's economy is not so overheated, the problems in development zones, real estate, stocks, establishment of companies exist to varying degrees. In line with the guidelines of the instructions of the party Central Committee and the State Council, we should bring several overheated aspects under control and guard two links. This is also an important task for the banking departments and the governments. We should respect banks' decision-making

power and reduce administrative interventions. That there is no administrative intervention also does not work. Administrative interventions must be scientific and standardized. The governments at various levels should support banks to exercise independent management. Banks and nonfinancial organizations should take the overall situation into consideration and pay attention to the interests of their own and society. The banks at various levels should strengthen self-construction and strive to cultivate a large number of high-quality banking specialists.

Shao Qihui-Led Group Returns From Australia

SK2502041993 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 24 Feb 93

[Text] The Heilongjiang provincial government delegation to Australia and Papua New Guinea headed by Governor Shao Qihui returned to Harbin by plane at 2150 on the evening of 24 February.

At the invitation of (Henry Siermu), vice mayor of Sydney city and senator, and minister of trade and industry of Papua New Guinea, the provincial government delegation led by Governor Shao Qihui paid a two-week official friendly visit to Australia and Papua New Guinea on 10-24 February.

At the airport, Governor Shao Qihui was interviewed by reporters. He said: The main purpose of this visit to Australia and Papua New Guinea was to make an on-the-spot investigation. In addition, we also held talks on some items. In Australia, we signed an item on manufacturing classical doors and windows and an agreement on developing Australia-Russia-Heilongjiang triangular trade. In Papua New Guinea, we signed an agreement on building a canned food plant there. In addition, we also explored ways to develop other projects in these two countries.

Governor Shao Qihui said: This visit made us understand more deeply that in implementing the principle of cooperating with the south and opening up the north, we must look afar. In our province's trade cooperation with foreign countries, we must have major targets. But these targets must be multiple. Judging from the visit, there are many cooperative partners in the southern hemisphere. In the future, our province must continue to expand the degree of opening up and to promote a steady economic development in Heilongjiang.

Accompanying Governor Shao Qihui during his foreign visit were Liu Gongping, secretary general of the provincial government, and other comrades.

Those who received Governor Shao Qihui at the airport on the evening of 24 February included Vice Governor Wang Zongzhang, Assistant Governors (Zhang Chengyi) and Xu Yandong.

Heilongjiang Contrasts Economic Contacts, Crimes

SK2502060893 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 24 Feb 93

[Text] The Heilongjiang Provincial Higher People's Court issued 10 policies on 24 February on correctly distinguishing the limits between legitimate economic contacts and economic crimes. The main content of these 10 policies are:

We should strictly distinguish between the act of enterprises on using public funds for entertaining guests and giving gifts or products in their social contacts with other enterprises during their economic activities for the sake of expanding production and operational activities and exploring marketing channels and the crimes committed by one who abuse his power to seek personal gain and to misappropriate or embezzle public funds and articles; between the practice of giving all or a portion of the sales commission in line with stipulations to enterprise personnel who hand in the sales commission he receives to the unit to which he belongs during the enterprise economic activities such as purchasing and marketing activities and taking over product processing tasks and the crimes concerning bribery and corruption committed by two persons who collude with each other to take sales commission and privately share the public funds to fill their own pockets; between giving bonuses to enterprise leaders in line with relevant stipulations and awarding enterprise personnel who contribute to production and operation or making enterprise leaders and other relevant personnel enjoy a bigger share of money more bonuses due to the miscalculations made during the formulation of enterprise regulation and the crimes on corruption and embezzlement of public funds; between the act of contractors and lease holders who resort to improper means to get their due remuneration and bonuses according to contracts or other relevant stipulations during the contracted and leasing period and the corruption and crimes of illegally embezzling enterprise public funds and articles; between the act of scientific and technical personnel who are entrusted by their units to provide technical or other labor services for other enterprises, who use their sparetime, including holding concurrent posts, to engage in scientific and technological activitives, who help other units by taking advantages of the material conditions of their own units with approval, or give the technological findings made by their own units to other units in order to get remuneration and the crimes concerning corruption and bribery; between lending the public funds of one's unit to help jointly-operated enterprises or granting loans to other units or lending public funds to other units or individuals for seeking certain benefits for one's own unit and the crime of embazzling public funds; the act of enterprises on changing or selling the surplus portion of their materials allocated in line with the state mandatory plan or materials whose varieties and specifications are not required by their enterprises and getting benefits from the sales and the crimes of profiteering and disrupting

economic order; winning trust from the counterparts by exaggerating one's ability to fulfill the contracts and failing to fulfill the contracted tasks after signing contracts even though active efforts are made to adopt measures to honor the contracts or signing contracts in an attempt to help one's enterprise to extricate from a difficult position but failing to honor the contracts and incurring deficits because of certain reasons after getting money from the counterparts and the crimes of taking advantage of the economic contracts to engage in cheating; making mistakes for a lack of experiences in the course of boldly conducting reforms and experiments and carrying out production and operational activities which result in losses of state and collective property and the crimes caused by serious bureaucracy of dereliction of duty or the crimes of engaging in bribery and corruption to seek personal gain which result in economic losses to the state and the collectives; and between awarding personnel who contribute to introducing projects, foreign capital and advanced technology or giving money to brokers in the course of carrying out foreign trade business in line with stipulations or international practices and the crimes concerning bribery.

Jilin Urban People's Congresses Elect Leaders**Jilin, Siping Leaders Elected**

SK2602065793 Changchun JILIN RIBAO in Chinese 31 Jan 93 p 1

[Text] At the First Session of the 11th Jilin City People's Congress, which ended on the afternoon of 9 January, Comrade Wu Guangcai [0702 1639 2088] was elected chairman (concurrently) of the Jilin City People's Congress Standing Committee, and Comrade Zhan Yuechang [2069 2588 2490] was elected mayor.

At the First Session of the Eighth Jilin City Committee of the Chinese People's Political Consultative Conference, Comrade Li Xianglin [2621 0686 2651] was elected chairman of the committee.

The Fifth Session of the second Siping City People's Congress ended on 9 January after a six-day session. Li Shixue [2621 0013 1331] was by-elected as chairman of the Siping City People's Congress Standing Committee, and Zang Shengye [5258 0524 2814] was elected mayor.

Prefecture, City Elect Leaders

SK2602082493 Changchun JILIN RIBAO in Chinese 1 Feb 93 p 1

[Text] The first session of the 10th Yanbian Korean Autonomous Prefecture People's Congress ended on 9 January. Wu Changshu [0702 7022 3219] was elected chairman of the prefectural people's congress standing committee and Quan Zhezhu [0356 0772 3178] was elected head of the prefecture.

On 8 January, at the first session of the first Songyuan City People's Congress, Shi Dianjin [2457 3013 6855] was elected chairman of the first Songyuan City People's

Congress Standing Committee, and Li Shu [2612 6615] was elected the first mayor of the city.

Activities, Remarks of Liaoning's Quan Shuren

Calls for Helping Peasants

SK2602053693 *Shenyang Liaoning People's Radio Network in Mandarin* 1000 GMT 25 Feb 93

[Text] At the just closed provincial rural work conference, provincial party Secretary Quan Shuren stressed: We will probably lose the mass foundation on which we can rely in rural areas if we delay any longer in easing the peasants' heavy burdens. Quan Shuren said: Heavy burdens on peasants will not only affect the relations between the party and the masses and between cadres and the masses, but also become an extremely unstable factor in rural areas. Therefore, all localities must adopt resolute measures to lighten peasants' burdens to protect and mobilize their enthusiasms. He said: Among the numerous unauthorized levies in rural areas, the charges of primary and middle schools, the house construction charges, the forced joining of insurance, and the forced subscription of newspapers and periodicals have aroused specially strong complaints among peasants. According to a survey, there are 18 kinds of financial levies from house construction, each village has been forced to subscribe to 30-40 kinds of newspapers and periodicals, and the multifarious activities for attaining targets are all financed by peasants eventually, and in some localities, peasants' burdens have surpassed the state-set standards by 1 and even by 2-3 times, much beyond their capacity to bear the burdens.

Quan Shuren reaffirmed: All localities must strictly implement the State Council's regulations on the levies delivered by peasants and on management of labor affairs as well as the provincial government's methods to implement these regulations. The rules running counter to these regulations and methods must be resolutely abolished. The norm of peasants' burdens must be controlled within 5 percent of peasants' per-capita net income in the same year. No cities or counties are allowed to raise the norms. Those which have already raised the norms should correct them as quickly as possible.

Quan Shuren pointed out: In lightening peasants' burdens, the key lies in the building of the legal system. All localities should establish and strengthen the organs for management of peasants' burdens and entrust the organs the relevant functions of supervision and management in order to ensure that these organs will be able to assume responsibilities. All localities should regard the lightening of peasants' burdens as an essential item to evaluate the official performances of leaders of localities and departments. From now on, when a department newly

sets forth a policy concerning peasants' burdens, the policy must be submitted to the provincial departments concerned and the provincial responsible departments for examination and then be reported to the provincial government for reexamination and approval.

Visits Congress Deputies

SK2602070393 *Shenyang Liaoning People's Radio Network in Mandarin* 2300 GMT 25 Feb 93

[Text] On the afternoon of 25 February, in the capacity of ordinary people's congress deputies, Quan Shuren, secretary of the provincial party committee; Wang Guangzhong, chairman of the provincial people's congress standing committee; and Yue Qifeng, governor of the province, checked in at Fushun, Dalian, and Shenyang people's deputations at Liaoning Mansion and Youyi Guesthouse. They visited the deputies coming there to participate in the first session of the eighth provincial people's congress. They also expressed hope that deputies would air their views freely and offer as many positive opinions as possible regarding the province's work during this people's congress session to again contribute to the economic leap of the province.

Fuxin City Congress Committee Appoints Acting Mayor

SK2602065493 *Shenyang LIAONING RIBAO* in Chinese 30 Jan 93 p 1

[Text] On 19 January, the 32th Standing Committee meeting of the 10th Fuxin city People's Congress decided to appoint Zhu Qicheng (2612 0796 2052) as acting mayor of the Fuxin city people's government.

Liaoning Project Berths Pass State Inspection

SK2602071793 *Shenyang LIAONING RIBAO* in Chinese 30 Jan 93 p 1

[Summary] On 18 January, four berths covered in the first phase of the Dayaowan project, one of the four on-going large international deepwater transfer ports in China, passed the state acceptance test, were made available to the Dayaowan port affairs company of Dalian Harbor, and went into trial operation.

The Dayaowan project is built with loans granted by the World Bank. The investment in this project totals \$95.38 million foreign currency and 387 million Renminbi yuan. According to the long-term plan, 70-90 berths will be built in Dayaowan. Upon completion of this project, Dayaowan's annual goods transfer capacity will reach 50 million tons. The first four berths covered in the first phase of Dayaowan project include two 30,000-ton-class container berths and two 25,000-ton-class multifunctional berths. These four berths' designed goods transfer capacity is 2.6 million tons.

Cabinet, Commissions Namelist Changes

OW2602032593 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 25 Feb 93

[From the "Hookup" program]

[Text] The Kuomintang [KMT] Central Standing Committee will approve the namelist of leaders to various ministries and commissions under the Executive Yuan, proposed by newly elected Premier Lien Chan, at a meeting this morning. The entire personnel arrangement for the cabinet has been finalized after Lien Chan consulted with persons selected and reported to President Li yesterday. As this namelist was formulated after soliciting opinions from some influential party members and after selecting some persons in the namelist through compromises, it is expected that the namelist will be approved at the meeting of the KMT Central Standing Committee. It has been learned that after the decision-making officials finalized the namelist yesterday, Sung Chu-yu, secretary general of the KMT Central Committee, has successively visited and solicited opinions from Chiu Chuang-huan, political adviser to the Presidential Office, Lin Yang-kang, president of the Judicial Yuan and other influential party members. Newly elected Premier Lien Chan and Chiang Yen-shih, secretary general to the president, have also exchanged views with Premier Hao Po-tsun on the cabinet namelist. It has been learned that part of the namelist was changed yesterday because some high-ranking party members held different views on the selections and that the namelist was settled through negotiations. After the KMT Central Standing Committee approves the namelist this morning, President Li should follow precedented examples and issue a personal order in the afternoon. The new cabinet will replace the old one and officially take office tomorrow. We have learned that the namelist to be passed today contains the following titles:

Vice premier and deputy secretary general of the KMT Central Committee: concurrently by Hsu Li-te;

Secretary general of the Executive Yuan: Li Hou-kao, secretary general of the Taiwan provincial government;

Ministers without portfolio: (Chou Pai-jung), Wang Chao-ming, Hsiao Wan-chang, Huang Kun-hui, (Hsia Han-ming), Huang Shih-cheng, and Chiu Hung-ta;

Interior minister: Wu Po-hsiung remains at the post;

Foreign minister: Chien Fu remains at the post;

Defense minister: Sun Chen, president of the Taiwan University;

Finance minister: Lin Chen-kuo, commissioner of the Taiwan Provincial Finance Department;

Economic minister: promoting Vice Economic Minister Chiang Ping-kun to the post;

Transportation and communications minister: Liu Chao-hsuan, president of the National Tsing Hua University;

Education minister: Kuo Wei-fan, chairman of the Council for Cultural Planning and Development;

Justice minister: Ma Ying-jeou, vice chairman of the Mainland Affairs Council;

Chairman of the Mongolian and Tibetan Affairs Commission: (Chang Chun-yi), member of the commission;

Minister in charge of the Overseas Chinese Affairs Commission: Chang Hsiao-yen, political vice foreign minister;

Chairman of the Council for Economic Planning and Development: Hsiao Wan-chang, economic minister;

Chairman of the Mainland Affairs Commission: Huang Kun-hui remains at the post;

Chairman of the Vocational Assistance Commission for Retired Servicemen: promoting Vice Chairman Chou Shih-pin to the post;

Chairman of the Council for Cultural Planning and Development: (Shen Hsueh-ying), professor of the National Taiwan Academy of Arts;

Chairman of the Council of Labor: Chao Shou-po remains at the post;

Chairman of the National Science Council: Kuo Nan-hung, minister without portfolio;

Chairman of the Atomic Energy Council: Hsu Yih-yun remains at the post;

Chairman of the Council of Agriculture: (Sun Lin-hsien) remains at the post;

Chairman of the Research, Development, and Evaluation Commission: Sun Te-hsiung remains at the post;

Administrator of the Environmental Protection Administration: (Chang Lung-sheng) remains at the post;

Director general of the Department of Health: Chang Po-ya remains at the post;

Director general of the Government Information Office: Hu Chih-chiang remains at the post;

Director general of the Central Personnel Administration: Chen Keng-chin, vice minister of examination;

Director general of budget, accounting, and statistics: (Wang Kun), former deputy director;

Chairman of the National Youth Commission: (Yin Shih-hao), chairman of the KMT Youth Work Committee;

Governor of the Taiwan provincial government: Sung Chu-yu, secretary general of the KMT Central Committee;

Governor of Fukien provincial government: (Li chin-chang) remains at the post;

Taipei mayor: Huang Ta-chou remains at the post;

Kaohsiung mayor: Wu Tun-yi remains at the post;

Meanwhile, Shih Chi-yang, former vice premier, is likely to become secretary general of the National Security Council; Lu Yu-wen, former judicial minister, may be vice president of the Judicial Yuan; Mao Kao-wen, former education minister, will be transferred to the Examination Yuan as vice president; Chien Yu-hsin, former transportation and communications minister, is likely to be given a post in some state-run corporation; Pai Pei-ying, former finance minister, will return to the International Commercial Bank of China as chairman; and Hsu Shui-te, representative to Japan, will become secretary general of the KMT Central Committee.

Kuomintang Approves Namelist

OW2602084293 Taipei CNA in English 0805 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—The Kuomintang Central Standing Committee Friday [26 February] morning approved an unprecedented large-scale cabinet reshuffle under Premier Lien Chan.

Of the eight ministries, only Minister of the Interior Wu Po-hsiung and Foreign Minister Chien Fu remained at their posts. Two university presidents are recruited to take charge of the Ministry of National Defense and the Transportation and Communications Ministry.

Hsu Li-teh, 62, vice secretary general and concurrently director general of the Finance Affairs Committee of the Kuomintang Central Committee, will become vice premier.

Lien's staff chief at the Taiwan provincial government Li Hou-kao, 67, will become secretary-general of the Executive Yuan.

The new heads of six ministries are:

- Finance Minister Lin Chen-kuo, 56, incumbent director of the Department of Finance of the Taiwan provincial government;
- Education Minister Kuo Wei-fan, 56, incumbent chairman of the Council for Cultural Planning and Development;
- Economics Minister P.K. Chiang, 61, incumbent vice economics minister;
- Justice Minister Ma Ying-jeou, 43, incumbent vice chairman of the Mainland Affairs Council;

—Defense Minister Sun Chen, 59, incumbent president of National Taiwan University;

—Transportation and Communications Minister Liu Chao-shiuan, incumbent president of National Tsing Hua University.

Many councils and commissions under the cabinet will also have new heads. The reshuffle includes

—Hsiao Wan-chang, 54, incumbent economics minister, as chairman of the Council for Economic Planning and Development;

—Chang Hsiao-yen, 52, incumbent vice foreign minister, as chairman of the Overseas Chinese Affairs Commission;

—Ying Shih-hao, 55, incumbent president of Chung Yuan Christian University, as chairman of the National Youth Commission;

—Kuo Nan-hung, 57, incumbent minister without portfolio, as chairman of National Science Council;

—Chen Keng-chin, 54, incumbent vice minister of examination, as director-general of the Central Personnel Administration;

—Shen Hsueh-yung, 64, incumbent member of the Council for Cultural Planning and Development, as chairman of the council;

Chang Chun-yi, 42, incumbent member of the Mongolian and Tibetan Affairs Commission, as chairman of the commission;

Chiu Hung-ta, 57, incumbent member of the Council of National Unification and professor of the school of law of the University of Maryland, as minister without portfolio;

Kuo Wan-jung, 63, incumbent chairman of the Council for Economic Planning and Development, as minister without portfolio.

Secretary-General Sung Chu-yu of the Kuomintang Central Committee will take up Lien's post as Taiwan governor, while Taipei Mayor Huang Ta-chou and Kaohsiung Mayor Wu Tun-yih will remain at their posts.

Cabinet officials unaffected in the reshuffle are Hu Chih-chiang, director-general of the Government Information Office; Huang Ku-huei, chairman of the Mainland Affairs Council; Hsu Yih-yun, chairman of the Atomic Energy Council; Sun Te-hsiung, chairman of the Research, Development and Evaluation Commission; Sun Ming-hsien, chairman of the Council of Agriculture; Chao Shou-po, chairman of the Council of Labor Affairs; Chang Lung-sheng, administrator of the Environmental Protection Administration; and Chang Po-ya, director-general of the Department of Health.

Li Teng-hui Appoints Hao Po-tsun Adviser

OW2602100893 Taipei CNA in English 0821 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—President Li Teng-hui will appoint outgoing Premier Hao Po-tsun as a senior presidential adviser, a presidential office spokesman said Thursday [25 February].

President Li will also confer upon Hao the Order of Propitious Clouds With Special Grand Cordon Friday [26 February] afternoon in recognition of his contribution to the nation, the spokesman said.

The medal is the highest government honor that a civilian official can receive.

The president also followed precedent by appointing Hao as a senior presidential adviser. Presidential Secretary-General Tsiang Yen-si is expected to deliver Li's letter of appointment to Hao today.

Hao chaired a cabinet meeting Thursday, his last as premier. After the meeting, Vice Premier Shih Chi-yang represented all government agencies in presenting Hao with a commemorative plaque in thanks for his devoted service to the nation.

Hao thanked all department heads for their cooperation, dedication and selflessness in serving the country.

"They were to be thanked for Taiwan's sustained economic growth during a period marked by dramatic internal and external changes," Hao said.

He added that Taiwan is now on the verge of entering the ranks of advanced countries and now needs a "political miracle" in addition to its economic one.

A group of more than 120 farmers from Yunlin County Thursday presented Hao with a plaque engraved with Chinese character "tze chi nung chia" meaning "benevolence to farmers" in appreciation of his active promotion of welfare services for farmers.

Minister-Designate on Trade Ties With U.S.

OW2602101593 Taipei CNA in English 0832 GMT 26 Feb 93

[Text] Taipei, Feb 26 (CNA)—Protecting intellectual property rights against unauthorized use will be key to trade ties between Taiwan and the United States, Vice Economic Affairs Minister P. K. Chiang said Thursday [25 February].

The vice minister noted that overall economic development will be adversely affected if the United States imposes trade sanctions against Taiwan over disputes over intellectual property rights protection.

The intensified crackdown on counterfeiting and pirating, being launched nationwide, demonstrates the government's determination to clamp down on copyright infringement, he pointed out.

He expressed the hope that upcoming trade consultations between Taiwan and the United States, slated to open in Washington, D.C. March 8, will help resolve the trade issue.

The United States is Taiwan's largest trading partner. Two-way trade totaled US\$39.34 billion last year, with Taiwan enjoying a surplus of US\$7.8 billion.

In the current cabinet reshuffle, Chiang will replace Hsiao Wan-chang to head the Ministry of Economic Affairs, while Hsiao will be appointed chairman of the Council for Economic Planning and Development.

Chiang, who has served in the post as secretary-general of the China External Trade Development Council and director-general of the Board of Foreign Trade, is well versed in the rules of foreign trade.

On future economic policy, the minister-designate said that he will give top priority to propping up domestic investment willingness, adding that improving the investment climate and upgrading the industrial base will be the best means to achieving this end.

Stressing that the promotion of private investments has been an integral part of economic strategy, he pledged that his ministry will boost cooperation and communication with domestic manufacturers.

Letting the private sector make profits is a prerequisite for prompting its willingness to make more investments, he elaborated.

Moreover, Chiang pointed out that the government will speed up the privatization of state-run enterprises, which will be conducive to this country's economic development in the long run.

U.S. Entrepreneur Recommends Trade Delegation

OW2602094493 Taipei CNA in English 0749 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—U.S. President Bill Clinton should soon send a high-powered trade delegation to Taiwan, W. Botwick, chairman of the American Chamber of Commerce in the Republic of China [ROC] said here Thursday [25 February].

Botwick, concurrently president of General Motors (Taiwan), said he wrote Clinton Thursday asking him to send a ranking trade delegation to Taiwan.

This group, Botwick recommended, should be led either by U.S. Commerce Secretary Ron Brown or Trade Representative Micky Kantor.

Botwick said he had made a similar appeal to Clinton in late December in the hope that economic and trade relations between the two countries can be promoted.

With Clinton already giving top priority to revitalizing the faltering US economy, he should dispatch a high-powered trade delegation here to help American interests compete for a bigger share of the local market, Botwick noted.

In spite of protest from Peking, European countries one after another sent ministers to Taiwan in recent years aiming to win more business contracts.

The ROC launched a six-year national development plan in 1991 to overhaul its infrastructure, ranging from freeways and a high-speed railway to nuclear power generation and naphtha cracking. The total expenditures of the ambitious plan will run at an estimated US\$300 billion.

The United States made no overt move to enhance its presence here until the Bush administration sent Carla Hills, then US trade representative, to Taipei late November.

Her arrival marked the highest ranking US Government official to visit Taiwan since Washington switched diplomatic recognition from Taipei to Peking in 1979.

Botwick added that American businesses hold confidence in the local investment climate, impressed by the nation's dynamic economic performance at a time when most of the world is still mired in sluggish growth. The ROC economy grew at an annual rate of 6 percent last year.

Executive Yuan Approves Crime Pact With U.S.

OW2602101693 Taipei CNA in English 0836 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—The Executive Yuan Thursday [25 February] endorsed an agreement with the United States on cooperation to fight crime in the two countries.

The agreement was signed here on Jan. 14, 1993 by Edward Kuan, chairman of the Coordination Council for North American Affairs (CCNAA), and Thomas Brooks, director of the AIT (American Institute in Taiwan) Taipei office, on behalf of their countries.

Both the CCNAA and the AIT handle Sino-U.S. exchanges in the absence of diplomatic ties between the two countries.

Law-enforcement officials from Taipei and Washington will help each other investigate and prosecute those who break the laws of the two countries, according to the pact.

The two sides also agree that law-enforcement officials will be invited to testify before courts of the two countries.

Five ROC [Republic of China] citizens were arrested when the U.S. cracked the largest ever drug ring in June

1991. Probes into the case have been completed under close cooperation with the ROC's Bureau of Investigation (BOI).

American courts, however, have found it difficult to press the suit against the drug traffickers without the testimony of ROC customs and BOI officials.

The U.S. request was rejected by the ROC, saying that the two countries lacked a legal basis for regulating such cooperation, a Foreign Ministry official recalled when speaking of the origin of the cooperation memo.

Official: Talks With ROK May Resume 'Soon'

OW2602090593 Taipei CNA in English 0825 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—The Republic of China (ROC) and South Korea may soon resume talks on a new framework for bilateral exchanges in the absence of formal ties, a Foreign Ministry official said Thursday [25 February].

The official, who preferred anonymity, said he hopes the new Korean Government under President Kim Young-sam will sincerely and pragmatically talk with the ROC on future relations.

President Kim, who was sworn in Thursday, is an advocate of pragmatism. He celebrated his inauguration in a low-profile style and did not invite foreign dignitaries to attend his swearing-in ceremony.

"We hope Kim, with his pragmatic style, will respect the ROC's stance and push for an early establishment of a new framework for future Sino-Korean relations," the official said.

Earlier press reports said ROC and Korean officials will meet in mid-March to talk on their new relationship. The official said, however, that the ROC Government has not yet received a formal notice from South Korea on such talks.

Taipei and Seoul suspended diplomatic ties last August after Seoul recognized Peking.

Taipei Refutes Russian Report of Tainted Rice

OW2602093893 Taipei CNA in English 0738 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—An official of the Ministry of Foreign Affairs said Thursday [25 February] the report in a Russian daily that the donation of rice made by the Republic of China (ROC) to Russia was tainted by poisonous chemicals was not factual.

IZVESTIYA in Moscow reported recently that 500 metric tons of rice donated by the ROC last year were found to be contaminated by chemicals similar to those used by the Americans in Vietnam during the Vietnam war. The Russian authorities suspected that the ROC had purchased the rice from Vietnam for the donation.

An official of the Taiwan Provincial Food Bureau refuted the charge as groundless. In the first place, he cited, Taiwan has an annual rice surplus totaling one million metric tons, and there is thus no need for the nation to buy rice from other countries.

He added that the 100,000 metric tons of rice donated to Russia had undergone strict quality checks.

The food bureau has asked the Foreign Ministry to investigate and clarify the case.

Swazi Delegation Arrives To Strengthen Ties

OW2502121493 Taipei CNA in English 0747 GMT 25 Feb 93

[Text] Taipei, Feb. 25 (CNA)—An eight-member delegation from Swaziland arrived in Taipei Wednesday [24 February] for a week-long visit.

The delegation was headed by Prince Sobandla Dlamini, minister of interior and immigration of the southeastern African country.

Swaziland will celebrate its 25th independence anniversary in September. The visiting Swazi mission will invite the Republic of China (ROC) to send officials to attend the celebrations, diplomatic sources said.

The mission is also here to learn from Taiwan's experience in arranging celebrations for important occasions, the sources said.

In addition, the mission will meet ranking ROC officials, including Foreign Minister Chien Fu and Economics Minister Hsiao Wan-chang, on ways to strengthen cooperation between the two countries.

Relations between the ROC and Swaziland have been very close. The ROC has stationed a technological mission in Swaziland to help the African country develop its agriculture and industry.

The Swazi mission will also visit Japan, South Korea, Singapore and other Asian countries to invite them to send special envoys to attend its Independence Day celebrations.

Government Eases Cross-Strait Banking Exchanges

OW2502111093 Taipei CNA in English 0757 GMT 25 Feb 93

[Text] Taipei, Feb. 25 (CNA)—In another move to liberalize exchanges between the two sides of the Taiwan Straits, banks in Taiwan will be allowed to do business with Mainland Chinese banks through their overseas subsidiaries, a ranking mainland affairs official said Wednesday [24 February].

The move will allow local banks to indirectly provide loans to Taiwan investors in Mainland China where

financing is severely restricted, explained Ma Ying-jeou, vice chairman of the Mainland Affairs Council.

The liberalization measure is included in a draft bill on cross-Strait financial exchanges approved by the cabinet-level council Wednesday.

According to the draft bill, the overseas branches of Taiwan banks can develop business ties with foreign-based branches of mainland banks or with the mainland branches of foreign banks.

Moreover, overseas branches of Taiwan banks can also deal with overseas-based Mainland Chinese companies, groups and individuals.

The approved financial services will be confined to handling savings deposits, remittances, issuance of letters of credit, and export/import foreign exchange settlements.

Under the bill, all these services must be conducted in currencies other than those of Taiwan or the mainland.

Meanwhile, local banks are still banned from participating in international syndicated loans initiated by mainland-based banks. Mainland banks are also not allowed to take part in syndicated loans launched by Taiwan banks.

The government first opened indirect remittances to the mainland in August 1991, permitting local residents to entrust local banks and post offices to send remittances to their mainland relatives.

Local investors on the mainland have long requested the government to allow banking exchanges across the Straits as they have had to channel their funds into the mainland through other foreign banks in third areas.

Official statistics show that Taiwan investors have invested at least US\$3.8 billion on the mainland since 1987. Unofficial estimates, however, put the investment figure at between US\$18.5 billion and US\$20.4 billion.

Council Allows Mainland Basketball Team To Come

OW2602094093 Taipei CNA in English 0742 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—The first mainland basketball team to visit Taiwan is arriving Friday afternoon after a dramatic change of government's posture.

The cabinet-level Mainland Affairs Council (MAC), who had said that the leader of the team, Yang Boyong could not come with the team because of his official post in Peking's state Physical Culture and Sports Commission in the State Council, gave the approval after a meeting with seven legislators Thursday [25 February].

The legislators, led by Li Ching-hua, who is concurrently vice president of the Chinese Taipei Olympic Committee, urged the government to honor its earlier decision to let them in.

MAC Deputy Chairman Ma Ying-jeou finally agreed to make an exception for Yang Boyong, acknowledging that the incident could be a big blow to government credibility.

Yang will now declare his post in the State Council and reapply to come here as a distinguished individual in a sports field.

Meanwhile, the Liaoning men's and Hebei women's basketball teams, stalled in Hong Kong for three days and with booked tickets to return to Peking Friday, were elated to hear the good news.

The team will play their first two of its 10 scheduled exhibition games at the Taipei College of Physical Education Saturday.

Taipei To Unify Foreign Aid Activities

OW2602101793 Taipei CNA in English 0841 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—Under a new unified structure, two high-level governmental institutions will work jointly to manage the Republic of China [ROC]'s foreign-aid activities, a senior official said Thursday [25 February].

Under a draft being examined by the Legislative Yuan, the Committee of International Technical Cooperation (CITC) under the Executive Yuan's Council of Agriculture and the International Economic Cooperation and Development Fund under the Ministry of Economic Affairs will be merged into one institution to handle the government's foreign-aid projects, CITC's Executive Secretary Tosai Hui-tu said.

Tsai noted that the ROC has, via numerous bilateral cooperation projects, provided technical assistance and loans to many foreign countries for more than 30 years and has won valued friendship in the process.

Tsai noted, however, that foreign aid works have stagnated in the face of a number of bottlenecks in which the receptor countries can not afford the large equipment costs, diminishing cooperative results.

With approval of the International Cooperation and Development Fund Establishment Act draft, Tsai said, the newly-set fund will provide a source of loans to increase the number of aid projects, enlarge the scope of

aid and upgrade technical transfer levels in a unified system for handling foreign aid projects.

With no waste or overlapping in manpower and resources, the ROC agricultural missions, with advanced techniques and substantial loans, will be able to give much more help to the host countries where they are sent.

Official Stresses Policy on Wildlife Protection

OW2602094793 Taipei CNA in English 0754 GMT 26 Feb 93

[Text] Taipei, Feb. 26 (CNA)—A ranking official Thursday [25 February] called on world conservationists not to mix up trade affairs with wildlife conservation.

Sun Ming-hsien, chairman of the Council of Agriculture (COA), made the remarks after learning that four animal rights and environmental protection groups are launching an international campaign to boycott Taiwan products for an end to the nation's trade in wildlife products.

Sun said trade sanctions against Taiwan will not only affect Taiwan industries and businesses, but will also adversely affect Taiwan's trade partners around the world.

Taiwan was accused by the Animal Welfare Institute, the Earth Island Institute, the Environmental Investigation Agency and the Humane Society of "widespread use of tiger and rhino body parts in traditional Chinese medicine."

COA Vice Chairman Lin Hsiang-neng said despite the fact that the Republic of China [ROC] is not a member of the convention on international trade in endangered species (CITES), the government has consistently worked toward wildlife protection based on the cites principles and spirit.

Since the nation enacted a wildlife protection law in June, 1989, violators have been legally convicted in 138 wildlife harassment cases and have received due penalties, Lin said.

Lin said it is unfair to single out Taiwan as an offender while other Asian nations, especially Chinese-speaking nations, also trade in endangered animals.

Lin said promotion of wildlife protection should be conducted in a peaceful and impartial manner. Prejudice and partiality will only backfire on a nation which is seriously implementing wildlife protection policies, as is the Republic of China, he added.

Hong Kong

Government To Explain Delays in Reform Bill

HK2602004493 Hong Kong THE STANDARD in English 26 Feb 93 pp 1, 2

[By Brett Free and Helen Choi]

[Text] The government is bending over backwards in a last-ditch effort to get China to the negotiating table on political reforms.

Last night, after a special Executive Council meeting, the government decided not to gazette the reform bills today. Legislation is normally gazetted on a Friday.

If the bills are to be gazetted before the end of the month as promised, an extraordinary gazette will have to be published tomorrow or Sunday.

The government reiterated there would have to be very good reasons for delaying gazetting of the bills beyond the end of the month.

But in what is fast becoming an exercise in repetition, the government said it would "make a statement explaining its actions in the next few days".

After an Executive Council meeting on Tuesday, Governor Chris Patten said the government's position would be explained in the Legislative Council on Wednesday by Secretary for Constitutional Affairs Michael Sze.

But all Sze did was restate the previous government line that there would have to be a "a very good reason" for the bills not to be gazetted before the end of the month.

Sze and Patten have so far failed to provide details of what constitutes "a very good reason".

Liberal legislators have hit out at the decision not to gazette the bills. However, conservatives and pro-China legislators welcomed the deferral.

United Democrat leader Martin Lee was disappointed with the decision, but would welcome any talks between Britain and China.

"We see no reason for the delay. As the Legislative Council deliberates the bill, the Chinese and British governments could conduct negotiations at the same time in parallel," he said.

"The two governments would then be in a better position to gauge the views of the people of Hong Kong and therefore enhance the prospect of coming to an agreement."

Independent liberal Emily Lau wanted the government to explain its actions as soon as possible. She said many people were afraid Hong Kong would be "sold down the river again" in a secret deal.

"This is the third delay. I think many people will be very anxious," Lau said.

Cooperative Resources Centre (CRC) convenor Allen Lee believed the delay would mean there was a "great chance" for the resumption of talks.

Pro-China legislator Tam Yiu-chung said: "It's a smart decision. In the first instance, the British government should not have given themselves a deadline if they hoped to resume talks with the Chinese government."

In Beijing, a Foreign Ministry spokesman again called on the British government to abandon Patten's plans for political reform to restore cooperation with China.

Spokesman Li Jianying said: "To resume cooperation the British side should return to the Sino-British Joint Declaration, the principle of convergence with the Basic Law and the understandings and agreements reached between China and Britain" as outlined in diplomatic exchanges in February 1991.

"The position of the Chinese side remains unchanged."

It is also believed that China does not think a delay in gazetting is a sign of sincerity.

The Chinese are also believed to be against the approach of parallel talks in which legislators will discuss the proposals at the same time as Sino-British negotiators.

China believes that Britain can only show its sincerity by returning to the track of the Joint Declaration, Basic Law and mutual understanding.

PRC Sources Say 'Hardly Enough'

HK2602091793 Hong Kong HSIN WAN PAO in Chinese 26 Feb 93 p 2

[Report: "Delay in Gazetting Patten's Package Is Hardly Enough To Show the British Side's Sincerity"]

[Text] The Hong Kong Government has announced that Patten's constitutional reform package adopted by the Executive Council would not be carried in today's Gazette. However, sources on the Chinese side said that this move was still hardly enough [wei zu yu 2607 6398 0060] to show the British side's sincerity, because "delaying" and "scrapping" are two different concepts. The British side should return to the foundation of the "three conformities," and only this can be the most important manifestation demonstrating the British side's sincerity.

The sources stressed that the Chinese side has never required the British side to "publicly announce" the withdrawal of the constitutional reform package. The British side could do this in various ways. For example, it could set aside the governor's reform package for the talks, treating it as something nonexistent or invisible.

As for the British side's practice of setting itself a deadline for gazetting the reform package, the sources said that this was just to "get itself enmeshed in a web of its own spinning."

It has been learned that if talks are resumed between China and Britain, discussions will not be limited to the issue of the 1994-95 election arrangements; instead, it will cover other issues concerning the transitional period. Are the agreements reached by the two sides still valid? How can mutual trust be restored? Questions such as these will all be considered. The Chinese side is optimistic about a resumption of talks.

Last night, the Hong Kong Government announced that today's Gazette would not carry the constitutional reform bill. According to the Hong Kong Government's usual practice, unless the bill is published in an extra issue of the Gazette, it will not be gazetted in February. A spokesman for the Hong Kong Government said that the government would issue a statement in a few days to explain its position on this event.

Talks on Hong Kong Could Resume 'Soon'

HK2602095593 *Hong Kong AFP in English* 0942 GMT
26 Feb 93

[Text] Hong Kong, Feb 26 (AFP)—A resumption of Sino-British talks on Hong Kong could be announced soon, sources said Friday, as share prices on the Hong Kong stock exchange soared on hopes of a break in the political row over Governor Chris Patten's electoral reform proposals.

But a Chinese source said it was unlikely that Patten's blueprint for widening the colony's electoral franchise before it reverts to Chinese rule in 1997 would be on the agenda of the Sino-British Joint Liaison Group (JLG).

China has said it would resume talks only if Britain withdraws Patten's proposals, while Britain insists in backing Patten's proposals.

"Patten's bill for constitutional reform could be gazetted even before or after the 'talk of talks,'" which is likely to be announced in a few days, a British source said.

China had suspended meetings of the JLG, which meets regularly to discuss a broad range of issues regarding Hong Kong's transition to Chinese rule, in late November, a month after Patten put forward his proposals.

However, Chinese sources close to the Hong Kong office of the Xinhua news agency, Beijing's de facto consulate here, said preparations were underway to resume JLG talks.

"The central government has agreed to resume talks for fear of back-ups in the four-year transition period," one of the sources said, adding: "Patten's proposals will not be on the agenda."

Thursday's announcement that the gazetting of Patten's proposals—a prelude to their being debated in the Legislative Council—saw the local Hang Seng stock market index soaring.

The index closed Friday at 6,351.99, up 148.11 points or 2.4 percent from Thursday and its highest point in nearly three months.

Michael Sze, Hong Kong's secretary for constitutional affairs, said an explanation would be made in a couple of days on why Patten's proposals were not published by the government on Friday, as had been announced.

"I think it is only fair that the diplomatic context be allowed to take its course," Sze said. "We should not spoil everything with little bit of impatience."

Liberal legislators had wanted to the bill to be published so that the Legislative Council could debate it promptly—regardless of whether the JLG talks resume. Patten originally planned to do so this month.

Martin Lee, popular leader of the United Democrats, said: "There is no reason why both processes should not continue at the same time."

But Chan Yuk-sing, head of the pro-Beijing Democratic Alliance for the Betterment of Hong Kong, said: "Certainly there will be hindrance if the bill is published ahead of any plans to resume talks."

Chinese sources, quoted by the Beijing-backed Wen Wei Po and Ta Kung Pao newspapers, suggested that talks could resume so long as Britain withdraws or puts aside Patten's proposals.

Article Says Patten Provokes Sino-British Row

HK2302071093 *Beijing JINRI GANGAO in Chinese, Trial Issue, 1 Feb 93 pp 4-8*

[“News Focus” article by Zheng Yan (6927 6056): “Chris Patten Provokes Sino-British Confrontation”]

[Text] Editor's note: Recently, because Chris Patten, the new Hong Kong governor, delivered his plan of important changes to the political system in Hong Kong; openly violated the Sino-British Joint Declaration, the Hong Kong Basic Law, and the relevant understandings reached between China and Britain; and unilaterally abandoned the Memorandum of Understanding [MOU] on the new airport and other relevant problems in a deliberate attempt to provoke Sino-British confrontation, the 10-year Sino-British cooperation on the Hong Kong question has suffered a serious setback. The developments of this affair have not only caused a great deal of concern among Hong Kong compatriots, it has also drawn attention from the broad masses of cadres and people on the mainland, as well as some people overseas.

To help our readers to understand the truth of the affair, this journal has invited some authoritative persons to write two articles, entitled "Chris Patten Provokes Sino-British Confrontation" and "The Cause and Effect of Talks on Hong Kong's New Airport," to make a thorough and systematic introduction of the situation. [end editor's note]

Since 1984, when China and Britain signed the Joint Declaration on the Hong Kong question, China has resolutely opened up to the outside world and both the Chinese and British sides have maintained consultative and cooperative relations; as a result, Hong Kong has witnessed economic prosperity, social stability, and a good situation. At present, only four and a half years are left before 1 July 1997, when China regains sovereignty over Hong Kong, and the broad masses of Hong Kong compatriots hope that China and Britain can continue to cooperate, so as to guarantee Hong Kong's smooth transition and changeover of power, and to maintain Hong Kong's long-term prosperity and stability. However, Patten, the new governor, has gone in the opposite direction, delivered a plan of important changes to Hong Kong's political system, and openly violated the Sino-British Joint Declaration, the Hong Kong Basic Law, and the relevant understandings reached between China and Britain (hereafter the "three kinds of violation"), deliberately seeking confrontation.

Ignoring the Chinese Side's Advice To Stop, and Unilaterally Announcing a Political Reform Package

On the afternoon of 7 October 1992, Hong Kong Governor Chris Patten, who had been in office for less than three months, delivered his first policy address to the Legislative Council [Legco]. In this policy address, which contained more than 30,000 words, he announced a "constitutional package," which would make important changes to the current political system in Hong Kong. The contents include: separation of the Executive and Legislative Councils; the governor will not serve as chairman of Legco; Legco has the power to develop committees; and establishment of a Government-Legco Committee. What is more noteworthy is that the policy address unilaterally announced the arrangements for the 1995 Legco elections, and opted for the "three kinds of violation" everywhere; in particular, on the problem of functional constituency elections and the organization of the election committee, he completely abandoned the understandings reached between China and Britain, and tried a new set of things.

The above-mentioned political reform package has an impact on Hong Kong's smooth transition and on the smooth changeover of power in 1997. According to the relevant Sino-British Joint Declaration regulations and the understandings reached between China and Britain, to realize smooth transition and a smooth changeover of power, during the transition period, development of Hong Kong's political system should converge with the Basic Law, and be discussed and decided by both China and Britain through diplomatic channel. However, before he decided to announce all these important changes, Patten never conferred with China, and, as a matter of courtesy, he only notified China on the key points of the contents of his policy address before making it public. After learning the above-mentioned contents, Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, wrote to Patten on 3

October, and said he hoped Patten would not unilaterally announce the political reform package and would announce it only after both sides had a full discussion of it, so as to ensure a smooth changeover of power in 1997, and reduce unnecessary political disturbances. Patten did not accept a bit of the advice from the Chinese side to stop; he had made up his mind to provoke an open controversy.

Facing Patten's challenge, the Chinese side must respond. This is because it involves the problem of whether the Sino-British Joint Declaration should be observed, the problem of whether Hong Kong's political system can converge with the Basic Law before and after 1997, and the problem of whether Hong Kong can have a smooth transition—all these are problems of important principles, and we cannot yield on the problems of principles. For this reason, on 8 October, the spokesmen of the Hong Kong and Macao Affairs Office and the Foreign Ministry each made remarks pointing out that Patten's policy address, including the plan to make big changes to the current political system and the arrangements for the 1995 Legco elections, had been made without consultation with the Chinese side, and that this obviously contradicted the Joint Declaration which said that in the second half of the transition period, the Chinese and British Governments should strengthen cooperation and jointly examine the measures to be taken to ensure a stable transition. The consequence can only be obstruction to Hong Kong's smooth transition and smooth changeover of power. We are deeply concerned about this. Developing democracy in Hong Kong is our consistent stand, but democratic development should be orderly and gradual. At present, Hong Kong's political system should not have big changes, and must converge with the Basic Law—this is the basic precondition for ensuring Hong Kong's smooth transition, otherwise, chaos will emerge. We cannot but solemnly point out that if, during the transition period, there is any change which cannot converge with the Basic Law, the responsibility is completely not on the Chinese side. By then, the PRC Hong Kong Special Administrative Region [SAR] and its organs will be set up according to the Basic Law and the relevant National People's Congress [NPC] regulations.

Patten ignored the Chinese side's solemn position. After delivering his policy address, he took part in various activities for many days, vigorously marketed his policy address; on the other hand, British Prime Minister John Major, Foreign Secretary Douglas Hurd, and some major political parties in London echoed him, issuing statements of full support to his political reform package, to cheer him up.

The Political Reform Package Violates the Joint Declaration, the Basic Law, and the Understanding Reached by China and Britain on the Issue of the 1995 Elections

Patten's political reform package was made without consultation with the Chinese side, and this violated the

Joint Declaration regulation which said that during the second half of the transition period, the Chinese and British sides should strengthen cooperation and jointly examine the measures to be taken for a smooth transition to 1997. In addition, Article 3 (5) of the Joint Declaration prescribes that the current social and economic systems in Hong Kong will remain unchanged, and so will the lifestyle. Article 5 of the Basic Law also stipulates that the existing systems and lifestyle in the Hong Kong SAR remain unchanged for 50 years. Without consultation with the Chinese side, Patten served up his plan of important changes to the current political system, and this directly violated the above-mentioned regulations.

Concerning the problem of development of a political system in Hong Kong, both the Chinese and British sides have carried out repeated discussions, and the British side has promised to enable the development of a political system in Hong Kong to converge with the Basic Law, and there has been agreement and understanding on the composition of the Legco in 1995. But Patten's political reform package has violated many regulations of the Basic Law, and repudiated the understanding concerning this reached by the Chinese and British Governments.

First, Article 55 of the Basic Law stipulates that members of the Hong Kong SAR Executive Council [Exco] shall be appointed by the chief executive from among the principal officials of the executive authorities, members of the Legco and public figures; whereas Patten proposed a complete separation of the Legco and Exco, and establishment of a Government-Legco Committee. We all know that this organization does not exist in the current political system and is not mentioned by the Basic Law, and the establishment of such an organization which could become a super Exco or a new center of authority, is not only a change of the current political system, but cannot converge with the Basic Law.

In addition, on the problem of the relations between execution and legislation, the Basic Law maintains the executive-led pattern of Hong Kong's political system. Article 62 stipulates the power to be exercised by the SAR Government; Article 64 defines the relations between the government and legislative organ; and Articles 72, 73, and 74 define the power of the legislative organ and its members, making them unable to randomly interfere in the government's operation and policy formulation in the course of exercising legislative and supervisory power, so as to guarantee the administrative efficiency of Hong Kong's political system which is executive-led. Patten ignored the above-mentioned Basic Law regulations and, in his political reform package, tried to use separation of the two councils and establishment of the Government-Legco Committee and promotion of a committee system in Legco to change the nature of Legco, and grant Legco the power to participate in amending executive policies and to involve in actual policy decision making, thus changing the executive-led pattern to a legislative-led one.

Third, changing the functional constituency elections to direct elections based on different professions. Functional constituency elections are a special feature of Hong Kong's political system, and this can ensure that the professionals and persons of industrial and commercial circles who have more contributions to Hong Kong society can participate more in legislation and public affairs. Therefore, the Basic Law stipulates that the organization of the first three rounds of Legco after the founding of the Hong Kong SAR keeps members returned from functional constituency elections. Annex II of the Basic Law and the "Decision of the NPC on the Method for the Formation of the First Government and the First Legco of the Hong Kong SAR" have clearly mentioned "members returned from functional constituency elections," and this indicates that this portion of members are to be elected by the legally prescribed functional constituencies; this obviously means indirect elections, not direct elections. However, in his political reform package, Patten replaced all forms of corporate voting for the "existing functional constituencies" with individual voters; the boundary of the nine newly added functional constituencies includes all the working hands in Hong Kong, so as to ensure "every working member of the community has a second vote." This is actually a practice of direct elections for different professions, and this violates the Basic Law and the relevant NPC regulations.

Fourth, Patten's proposal on the organization of the 1995 election committee violates the understanding on this issue which had already been reached by China and Britain. In his policy address, Patten proposed that all or most of the members of the election committee should be drawn from the directly elected district boards, and that they should be able to vote for any qualified candidate and not just members of the election committee. Although the Basic Law does not have regulations on the organization of the election committee for the first Legco, before the NPC passed the Basic Law, the Chinese and British Governments had conducted many rounds of talks on the organization of the election committee. At that time, Chinese Foreign Minister Qian Qichen and British Foreign Secretary Douglas Hurd exchanged several letters; eventually, both sides reached an understanding on the organization of the election committee. In his reply letter to Foreign Minister Qian Qichen, British Foreign Secretary Douglas Hurd clearly wrote that: "In principle, I agree to your arrangement for organization of the election committee. This election committee can be established in 1995, and the details of the arrangement can be worked out by both sides at an appropriate time." This is written in black and white. Patten's proposal violated the Basic Law and repudiated the promise made by the British Government.

Fifth, changing the nature of district organizations. Article 97 of the Basic Law clearly stipulates that the district organizations of the Hong Kong SAR are "not organs of political power," and that their duties and functions are to accept consultation by the government

on district administration and other affairs, and to provide services in such fields as culture, recreation, and environmental sanitation. Whereas in his political reform package, Patten wanted to abolish the appointed seats in the urban council, the regional council, and the district boards and, at the same time, to expand the function of the district boards. This will inevitably politicize the operation of the two councils and the district boards, change their nature, and violate the Basic Law. In addition, Patten also suggested that the 1995 election committee should mainly be formed by members of the district boards, and that 10 Legco members should be drawn from the election committee, thus granting district organizations an important political function.

The Sino-British Joint Declaration is a bilateral agreement reached by the Chinese and British Governments after two years of negotiation; it went through the process of initialing, official signing, and approving; and it entered the registration file at the UN Secretariat on 12 June 1985. This indicates that the Sino-British Joint Declaration is an important international treaty, and "the highest possible promise reached between two sovereign countries" (words from the British Government White Paper on 26 September 1984). The Sino-British Joint Declaration, and all the regulations of its annexes, have legal effect on both the Chinese and British sides. Based on the regulations of 3 (12) of the Joint Declaration, on 10 April 1984, the Third Session of the Sixth NPC passed the resolution on establishing the Drafting Committee for the Basic Law of the Hong Kong SAR of the PRC, to begin the process of drafting the Basic Law. To extensively solicit opinions from Hong Kong people on the drafting of the Basic Law, the Consultative Committee for the Basic Law of the Hong Kong SAR, participated in by the representatives of various quarters in Hong Kong, was also founded. After five years of hard work by the above-mentioned two organizations and after active participation by the broad masses of the people of Hong Kong, in April 1990, the Third Session of the Seventh NPC passed the "Basic Law of the Hong Kong SAR of the PRC," which embodied the spirit of "one country, two systems." The Joint Declaration and the Basic Law laid a foundation for ensuring a smooth transition of Hong Kong and a smooth changeover of sovereignty over Hong Kong, and for maintaining Hong Kong's prosperity and stability. These two historic documents are hard-won, and should be observed by both China and Britain, and should not be violated.

Visit to Beijing Is Fruitless; Forced To Reveal Diplomatic Exchanges

On 21 October 1992, Patten began his first visit to Beijing after taking office.

According to a relevant regulation of the MOU on the new airport, the Hong Kong Governor should hold talks with the director of the Hong Kong and Macao Affairs Office based on a fixed schedule. After Patter took

office, there were many problems in Hong Kong, especially the problem of the new airport, which required senior-level discussion between the Chinese and British sides for settlement; but Patten, to create a "strong governor" image, deliberately postponed his visit to Beijing, and spent more than three months' time carefully producing his political reform package, preparing for provoking Sino-British confrontation.

On 22 October, Lu Ping, director of the Hong Kong and Macao Affairs Office, held talks with Patten for more than six hours. During the talks, Lu Ping painstakingly pointed out to Patten how his political reform package had violated the Sino-British Joint Declaration, the Basic Law, and the understanding reached by China and Britain on the issue of the 1995 Legco elections. But Patten refused to accept the Chinese side's opinion, and the talks scored no results. On 22 October, Foreign Minister Qian Qichen met Patten, and solemnly pointed out to him that making big changes to Hong Kong's political system challenges Sino-British cooperation; that we want cooperation, not confrontation; and that to solve the problem, it is necessary to return to the track of serious discussions according to the regulations of the Sino-British Joint Declaration.

On 23, October, Patten left Beijing for Hong Kong, stubbornly clinching to his political reform package.

After Patten left Beijing, Lu Ping held a news conference to brief everyone on the situation of talks with Patten. For the first time, Lu Ping, who had always maintained silence on public occasions since 7 October when Patten delivered his policy address, explained the Chinese side's point of view thoroughly and in great detail. He pointed out that the essence of the difference between both sides is not a problem of whether the pace of democracy should be quickened, but a problem of whether there should be cooperation or confrontation in the end. If the other side wants confrontation, then, we can only oblige it. Lu Ping stressed that cooperation should be overall cooperation, not just political cooperation, but also economic cooperation, and that not just the legislative organ, but also the executive and judicial organs should converge with the Basic Law. We do not want cooperation in other areas to be affected by failure by both sides to reach consensus on political issues. At present, the problem is whether there should be convergence with the Basic Law, and whether the agreements and understandings reached by China and Britain in the past should be honored; if (the British side) does not bother a bit to consider convergence with the Basic Law and wants to repudiate the past agreements, then, there is nothing to talk about. We hope that both sides can still set store for Hong Kong's interests and for Sino-British friendship and cooperation, and cooperate closely, to enable Hong Kong to really have a smooth transition in 1997, and to maintain Hong Kong's long-term prosperity and stability.

After Lu Ping criticized Patten's political reform package for violating the understanding reached by both the

Chinese and British sides on the arrangements for the 1995 elections, various circles in Hong Kong demanded that the correspondences between the Chinese and British sides be made public. Under public pressure, on 28 October, the British Hong Kong authorities were forced to make public the seven diplomatic exchanges between the Chinese and British sides, sent in early 1990 during the final phase of drafting of the Basic Law, on the arrangements for the 1995 Legco elections. Later that day, the Chinese side also made public the seven diplomatic exchanges. When the British Hong Kong authorities made public the letters, they employed a little trick by adding the Hong Kong Government Information Service's introduction to the letters, avoided the important and dwelled on the trivial, and left out the beginning and the end, in an attempt to lead the public to misunderstand the facts and the truth. However, the facts cannot be covered up, and people can see clearly from the correspondences between the Chinese and British sides that China and Britain have indeed reached an understanding on the problem of organization of the election committee for the 1995 Legco elections; that is, the election committee should be organized according to the regulations of Annex I of the Basic Law: One-fourth are representatives from the industrial, commercial and financial sectors; one-fourth are representatives from the professions; one-fourth are representatives from labor, social services, religious communities and other sectors; and one-fourth are representatives from district organizations, Hong Kong deputies to the NPC, and Hong Kong members of the Chinese People's Political Consultative Conference [CPPCC]. Each of the above-mentioned four groups will elect 200 persons to form an 800-person election committee, whereas the concrete details are to be worked out by the Chinese and British sides. Patten's political reform package violated the above-mentioned understanding, and was a breach of faith and promise.

Clings Obstinately to His Course, Walks Further Down the Road of Confrontation

Patten repeatedly employed sophistry and said his political reform package had not violated the Joint Declaration and the Basic Law; he asked the Chinese side to make counterproposal, in an attempt to legitimize his political reform package and use his "three kinds of violation" political reform package as a basis for discussion, and his attitude was extremely arrogant and stubborn. According to Article 158 of the Basic Law, the power to interpret the Law Basic shall be vested in the NPC Standing Committee, not the British side, nor the individual named Patten. Patten's wanton distortion of the Basic Law has caused the concern of our country's NPC Standing Committee. On 7 November, the 28th session of the seventh NPC Standing Committee discussed Patten's political reform package, and some NPC Standing Committee members and deputies to the NPC pointed out unanimously in their speeches that Patten broke a promise and faith and that his political reform package seriously violated the Sino-British Joint Declaration and the Basic Law. Patten turned a deaf ear to the

criticism from our NPC Standing Committee, and called it "background music," showing an extremely arrogant attitude.

What is noteworthy is that on 3 November, Patten met Hsu Sheng-fa, member of Taiwan's ruling Kuomintang Central Committee, breaking the 40-year taboo that the Hong Kong governor never came into contact with politicians from Taiwan. What does Patten want to do? Does he want to create "two Chinas?" Does he want to borrow strength from the Kuomintang to support his political reform package, to obliterate the concept of "one country, two systems," and to hinder China's great undertaking of reunification? This cannot but arouse the attention of all the children of the Chinese nation.

On 11 November, the Legco, manipulated by the British Hong Kong authorities, passed [Legco member Jimmy] McGregor's amendment motion. The motion supported Patten's political reform package, and asked the Hong Kong Government to discuss the political reform package with the Chinese side while adhering to the principle that it must be fair, open, and acceptable to the people of Hong Kong. Up to that point, Patten had taken another step down the road of confrontation with the Chinese side.

To promote his political reform package, Patten stubbornly went his own way; at the same time he played the "public opinion card," he actively sought international support, and tried to internationalize the Hong Kong issue. Concerning this point, our government has made a statement saying that the Hong Kong issue is a matter between the Chinese and British Governments before 1997, and an internal affair of China after 1997, and other countries have no right to interfere. Patten's method of seeking international support was to escalate the challenge, and the result could only be intensification of Sino-British confrontation, but could not shake the Chinese Government's determination to safeguard the Sino-British Joint Declaration and the Basic Law.

Hong Kong People All Want a Smooth Transition; the British Hong Kong Authorities' Fond Dream Cannot Come True

Patten made great efforts to promote his political reform package. The first day he came to Hong Kong he broke the tradition by not wearing the official colonial suit, to show that he was "close to the people." Thereafter, he inspected the areas inhabited by the ordinary people, drank herbal tea, rode on the subway, and hugged a child. This kind of "shows" earned him the good feelings of some Hong Kong citizens, and he thought he had won their support, and claimed his political reform package was based on "public opinion." He even played the "public opinion card" against China. But what are the facts?

Many well-known persons in Hong Kong have published articles or speeches in newspapers, accusing Patten's political reform package of violating the Sino-British Joint Declaration, the Basic Law, and the understanding

reached by the Chinese and British sides, and pointing out that this will hinder the smooth changeover of power in Hong Kong, affect Hong Kong's prosperity and stability, and hurt the interests of the people of Hong Kong.

On 9 November, the Business and Professionals Federation, which is broadly representative and influencing in Hong Kong, officially issued a statement of position on the political reform package; it said it firmly believed that a smooth transition in 1997 and convergence with the Basic Law can most suit the interests of the people of Hong Kong. In light of this, the federation was opposed to Patten's political reform package, and held that the election committee should be formed according to the principle agreed upon in the diplomatic exchanges between the foreign minister and foreign secretary, whereas in the area of functional constituency elections, the elections of the nine newly added seats should proceed according to the principle of the 1984 political system white paper and the practice of the last three rounds of elections.

On 16 November, the Chinese Chamber of Commerce in Hong Kong issued its "letter of opinion on the problem of the political system in the governor's policy address," pointing out that the development of Hong Kong's political system must converge with the Basic Law, otherwise, it would not facilitate Hong Kong's smooth transition.

On 24 November, the Chinese Manufacturers' Association of Hong Kong issued a statement, pointing out that the development of the political system in Hong Kong should be gradual and orderly, and should converge with the Basic Law; then, it could enable the overall interest of the society to have the maximum protection.

The Federation of Hong Kong Industries; the Hong Kong Association of Manufacturers; the executive committee of the Hong Kong Federation of Trade Unions; the Hong Kong Youth Association; the Hong Kong Federation of Women's Centers; the Hong Kong Association of Social Groups in the New Territories; the Society for Advancement of Hong Kong Chinese; the Association of Senior Local Civil Servants in Hong Kong; the Democratic Alliance for the Betterment of Hong Kong; the Cooperative Resources Center; the Federation for the Stability of Hong Kong; and several hundred industrial, commercial, social, and political groups, as well as several hundred people from financial circles, also made statements, position letters, and speeches, pointing out that the political reform package must conform to the Joint Declaration and converge with the Basic Law, and hoping that the British side return to the track of cooperation embodied by the Joint Declaration.

An absolute majority of the members of the 19 district boards, the urban council, the regional council, and the Heung Yee Kuk [villagers' interest group] in the New Territories also expressed opinions against Patten's political reform package.

Facts indicate that Hong Kong citizens generally hope to see a smooth transition and changeover of power in 1997, and to see Hong Kong's prosperity and stability maintained. They hope that China and Britain can cooperate and are opposed to Patten's idea of confrontation; and they demand that development of a political system converge with the Basic Law. Patten has acted contrary to what the people really want in Hong Kong, and concerning this point, even knowledgeable persons in Britain can see clearly. During an interview with the BBC, Edley, chairman of the Chinese Affairs Committee in the British Parliament, criticized Patten's performance as not helpful to Hong Kong's stability, and pointed out that his idea, which holds that Hong Kong people want reform of the political system, is dangerous.

On 16 November, Premier Zhu Rongji, who was visiting Britain, pointed out when talking about the Hong Kong issue that the recent plan proposed by the Hong Kong authorities to make big changes to Hong Kong's political system has obviously violated the spirit of the relevant regulations of the Sino-British Joint Declaration in terms of action and content, and has violated the understanding reached by both the Chinese and British sides on enabling the development of Hong Kong's political system to converge with the Basic Law. People cannot but ask: Is the Joint Declaration to be observed? Is the understanding reached between the Chinese and British sides gone with the wind? This is an important problem of principle. Concerning the problem of principle, the Chinese Government and people are never ambiguous. On 23 November, Premier Li Peng reiterated the Chinese Government's position when meeting Hong Kong guests, and stressed that China will never accept any counterproposal or compromise plan based on the political reform package raised by the Hong Kong governor; he said that on the problem of principle, no compromise or concession will be made.

Patten's purpose of serving up the "three kinds of violation" political reform package is to groom the pro-Britain and anti-China forces, so as to extend Britain's special political influence and economic interests in Hong Kong. He will never achieve his goal. How can we end the Sino-British confrontation caused by him? There can only be one answer; that is, whoever started the trouble should end it. Patten must change his position and take back his political reform package. The Chinese side sincerely hopes that the British side can set store for the overall situation of prosperity and stability in Hong Kong and for the common interests of China and Britain, and return to the track of consultation and cooperation prescribed by the Sino-British Joint Declaration. If the British side insists on confrontation, that is no big deal, and the Chinese side will heed the wish of the broad masses of Hong Kong compatriots and act resolutely according to the Basic Law. The Chinese side is fully confident that it can ensure Hong Kong's smooth transition and maintain Hong Kong's long-term prosperity and stability.

Some Functional Constituencies Back Reforms

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[By Lana Wong]

[Text] The Governor, Mr Chris Patten, has the backing of the social welfare, engineering and health care constituencies in his plan to broaden democracy in the territory, according to recent surveys.

The studies were conducted between October and January during which China repeatedly threatened to start afresh after 1997 if Mr Patten's political reform package was pushed through.

They showed that members of the constituencies were in support of the Governor's political blueprint, including the controversial proposals for the Election Committee and the nine new functional constituencies.

Four other functional constituency representatives had earlier released the result of opinion polls among their constituents.

They were Mr Cheung Man-kwong of the teaching profession, Dr Leong Che-hung, of the medical profession, Mr Howard Young, of the tourism sector, and Mr Edward Ho Sing-tin, of the architectural, surveying and planning constituency.

The polls showed the former two professions supported the Governor's package.

Mr Ho's constituency was equally divided on the proposals for the new functional constituencies and the Election Committee and Mr Young's constituency was against the package.

Banking representative Mr David Li Kwok-po has his survey result ready, but it has not yet been released.

Accountant representative Mr Peter Wong Hong-yuen is expected to make public the findings of his opinion poll next week.

According to the survey of the social welfare sector, 75 percent supported or generally supported the proposed 1994-95 electoral arrangements.

Conducted by the sector's representative in the legislature, Mr Hui Yin-fat, between December 7 and January 31, the survey was extended to non-voters in the constituency instead of the eligible corporate voters alone.

Of the 2,400 questionnaires sent out, 440—18 percent—were returned.

In view of the strong opposition from China, a third of the respondents felt that the electoral bills should be tabled to the legislature for a decision while a quarter said the issue should be settled through a referendum.

A quarter said China should be talked into accepting the package and 10 percent said London should make concessions first.

About 60 percent of the respondents gave the thumbs-up to the controversial proposals for the Election Committee and the new functional constituencies.

The fact that 40 percent showed their disapproval or reservations indicated the need for further discussion and study in these two areas, Mr Hui said.

A big majority felt that legislators should take the initiative in drawing up compromise proposals.

In a separate survey among the engineering constituents, more than half of the 783 respondents threw their weight behind the Governor in his political reform proposals.

The survey, which had a response rate of seven percent, was carried out by the Hong Kong Institution of Engineers among its 11,000 members.

More than half of the respondents agreed to the proposals for the nine new functional constituencies and Election Committee.

The survey conducted by the health care representative, Mr Michael Ho Mun-ka, found the ratio of for and against the Governor's package was three to one.

Delegation Urges Joint Declaration Clarification

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MORNING POST in English 26 Feb 93 p 8

[By Louise Ng and Connie Law]

[Text] The Cooperative Resources Centre (CRC) will urge China to clarify grey areas in the Joint Declaration to avoid further disputes with Britain.

In an internal paper the conservatives intend to give to Chinese officials, the CRC says most of the disputes between the two countries have stemmed from different interpretations of provisions of the Joint Declaration.

An eight-member delegation headed by the centre's convenor, Mr Allen Lee Peng-fei, will meet China's premier, Mr Li Peng, on Monday, the first day of a three-day visit to Beijing.

The delegates will meet the director of the State Council's Hong Kong and Macao Affairs Office, Mr Lu Ping, the next day.

"China and Britain should seek a suitable channel, for example, the Joint Liaison Group, or by diplomatic contacts, to clarify the grey areas," the paper says.

CRC members will also try to persuade Chinese officials to employ "political packaging" when conveying messages to the Hong Kong people.

"Hong Kong people have misunderstood the words and the stance of China for a long time," the paper says.

"This is not because Hong Kong people are not patriotic or because China does not consider Hong Kong's interest. Problems actually arise in the process of message reception."

Citing the recent warning of "starting the second stove" as an example, the paper urges mainland officials to elaborate on the idea if they decide to pursue it.

It also suggests that China seek the right time to re-evaluate the position and role of the Legislative Council.

It says an affirmation of the role of the council would help to strengthen public confidence in China.

CRC members will also explain the faults of the compulsory retirement scheme proposed by the Hong Kong Government.

The paper suggests the establishment of a government-administered central provident fund.

On local civil servants, the CRC opposes any move to politicise the 190,000 staff.

Meanwhile, the centre has appointed Mr Thomas Lee Kong-chung as its executive director, with effect from yesterday.

Mr Lee, 51, is to head the staff of the CRC during its transition to a new political party.

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